

CAUSE NO. DC-19-09828

D&T PARTNERS, LLC) IN THE DISTRICT COURT
(successor in interest to)
ACET VENTURE PARTNERS,)
LLC),)
)
Plaintiff,)
)
v.) DALLAS COUNTY, TEXAS
)
ACET GLOBAL, LLC; BAYMARK)
ACET HOLDCO, LLC; BAYMARK)
ACET DIRECT INVEST, LLC;)
BAYMARK MANAGEMENT, LLC;)
BAYMARK PARTNERS; DAVID)
HOOK; TONY LUDLOW; and)
WINDSPEED TRADING, LLC,)
)
Defendants.

116TH JUDICIAL DISTRICT

REMOTE ORAL AND VIDEOTAPED DEPOSITION OF

DAVID HOOK

April 12, 2021

REMOTE ORAL AND VIDEOTAPED DEPOSITION OF
DAVID HOOK, produced as a witness at the instance of the
PLAINTIFF, and duly sworn, was taken in the above-styled
and numbered cause on April 12, 2021, from 1:04 p.m. to
5:34 p.m., via videoconference, before Wendy Golding,
CSR in and for the State of Texas, reported by machine
shorthand, pursuant to the Current Emergency Order
Regarding the COVID-19 State of Disaster.

Page 3

	INDEX	
		PAGE
3	Appearances.....	2
4		
5	DAVID HOOK	
6	EXAMINATION BY MR. FREEMAN.....	7
7		
8	Signature and Changes.....	169
9	Reporter's Certificate.....	171
10		
11	EXHIBITS	MARKED/IDENTIFIED
12	1 Bankruptcy Form 201.....	19
13	2 Email dated October 19, 2018 from	
14	William Szeto to Matt Denegre.....	82
15	3 Email dated January 21, 2019 from	
16	William Szeto to Matt Denegre.....	99
17	4 Email dated January 24, 2019 from	
18	William Szeto to Matt Denegre.....	100
19	5 Email dated February 28, 2019 from	
20	William Szeto to Matt Denegre.....	106
21	6 Email dated March 20, 2019 from	
22	Matt Denegre to Tomer Damti.....	110
23	8 Email dated December 19, 2018 from	
24	William Szeto to Matt Denegre.....	115
25	9 Email dated January 2, 2019 from	

Page 4

1	William Szeto to Matt Denegre.....	127
2	10 Email dated January 29, 2019 from	
3	Matt Denegre to Alex Godinez.....	129
4	13 Email dated September 10, 2018 from	
5	Matt Denegre to Tony Ludlow.....	138
6	14 Email dated January 7, 2019 from	
7	William Szeto to Matt Denegre.....	145
8	25 Email dated October 16, 2018 from	
9	Matt Denegre to Steve Bellah.....	121
10	26 Email dated March 24, 2017 from	
11	Matt Denegre to David Hook.....	152
12	34 Email dated December 13, 2017 from	
13	David Hook to Tony Ludlow.....	26
14	36 Email dated October 16, 2019 from	
15	Matt Denegre to Tony Ludlow.....	22
16	44 Letter from Howard dated March 18, 2019	
17	to David Hook.....	153
18	45 Letter and return from Howard to	
19	David Hook.....	160
20	46 Email dated March 15, 2018 from	
21	Tony Ludlow to David Hook.....	30
22	47 Email dated October 31, 2018 from	
23	Matt Denegre to Steve Bellah.....	64
24	48 Forbearance Agreement.....	58
25	51 Email dated April 11, 2018 from	

		Page 5
1	David Hook to Matt Denegre.....	62
2	54 Amended and Restated Agreement.....	90
3	55 Form 8879-PE.....	154
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

Page 6

1 P R O C E E D I N G S

2 DAVID HOOK,

3 having been first duly sworn, testified as follows:

4 THE REPORTER: Pursuant to the Current
5 Emergency Order regarding the COVID-19 State of
6 Disaster, this deposition of David Hook is being
7 conducted remotely via Zoom. Today's date is April 12,
8 2021; and the time is 1:04 p.m.

9 My name is Wendy Golding, Texas CSR No.
10 1942. I have administered the oath and am reporting the
11 deposition remotely by stenographic means from my
12 residence within the State of Texas. The witness has
13 represented to me under oath that he is David Hook.

14 Would Counsel please state their
15 appearances and any agreements for the record.

16 MR. FREEMAN: This is Jason Freeman on
17 behalf of plaintiff.

18 MR. PERRIN: Ed Perrin on behalf of the --
19 all defendants, with the exception of Windspeed Trading,
20 Limited. And I also represent the witness today, David
21 Hook.

22 MS. HARD-WILSON: And Brenda Hard-Wilson
23 for defendant Windspeed Trading, LLC.

24 MR. FREEMAN: First of all, I guess a
25 couple of matters and then -- and then the agreement. I

Page 7

1 think I need to get access to record. And I believe you
2 can grant it to me.

3 THE REPORTER: Can we go off the record one
4 second, Counsel?

5 MR. FREEMAN: Yes.

6 (OFF THE RECORD)

7 MR. FREEMAN: There were -- also, there's a
8 -- a running agreement among counsel that any objections
9 by any of the defendant counsel will also constitute an
10 objection by the other defendants. Any other agreements
11 or issues?

12 MS. HARD-WILSON: No. Thank you.

13 EXAMINATION

14 Q. (By Mr. Freeman) Mr. Ludlow, could you state
15 your full name for the record.

16 A. My name is David Hook.

17 Q. Sorry, Mr. Hook.

18 My name is Jason Freeman. I represent D&T
19 Partners, LLC, as successor in interest to ACET Venture
20 Partners, LLC.

21 Do you understand that I'm -- we're here
22 today in connection with the lawsuit between D&T
23 Partners; ACET Global, LLC; Baymark ACET Holdco, LLC;
24 Baymark ACET Direct Invest, LLC; Baymark Management,
25 LLC; Baymark Partners; David Hook; Tony Ludlow; and

Page 8

1 Windspeed Trading, LLC?

2 A. Yes. I'm not sure about all of those entities.

3 But, yes, I know the reason why I'm here.

4 Q. Okay. Mr. Hook, have you ever given a
5 deposition before?

6 A. I have not.

7 Q. Okay. Have you ever been in a -- involved in a
8 lawsuit before?

9 A. I -- no.

10 Q. No?

11 Have any of your companies been involved in
12 a lawsuit that you had to assist with in any way?

13 A. No.

14 Q. No?

15 Were -- were you not involved in a lawsuit
16 in -- in federal court, previously?

17 A. Not that I recall.

18 Q. Okay. Do you understand that you're here today
19 under oath?

20 A. Yes.

21 Q. And -- and what does that mean to you?

22 A. That I'm going to tell the truth.

23 Q. Okay. And you understand it's a crime to lie
24 under oath?

25 A. Yes.

Page 9

1 Q. Okay. Mr. Hook, when I ask a question -- these
2 are just some of the ground rules -- if you will, try to
3 let me complete it before you give an answer, just so
4 that we can make it as easy as possible on the court
5 reporter.

6 A. Okay.

7 Q. Also, whenever you give an answer, if you will,
8 please give a -- a verbal response so that she can --
9 she can make sure and memorialize the record.

10 A. Okay.

11 Q. If I ask a question that you don't understand,
12 please just let me know and -- and I'll rephrase it or
13 -- or try to ask it in a better way.

14 A. Okay.

15 Q. And with that, you know, I just ask: Is it --
16 is it fair to say that if you don't tell me that you
17 don't understand a question, I can assume that you
18 understand it?

19 A. Yes.

20 Q. Okay. And if at any time you need to take a
21 break and use the rest room, grab a drink, whatever,
22 just let me know. No problem. I will probably just ask
23 that if there's, you know, there's a question or a
24 certain line of questions that's being asked, I'll --
25 I'll just ask you to respond to those and then we can

Page 10

1 take a break whenever you need.

2 A. Okay.

3 Q. Mr. Hook, during Matt Denegre's deposition,
4 Tony Ludlow instructed Mr. Denegre to "shut the fuck
5 up." Are you aware of this?

6 A. No.

7 MR. PERRIN: Objection, form.

8 Q. (By Mr. Freeman) Have you discussed Matt
9 Denegre's deposition with anyone?

10 A. No.

11 Q. And you weren't aware of Mr. Ludlow's
12 statements during the deposition?

13 A. No.

14 Q. Assuming that -- that he had instructed Mr.
15 Denegre to -- to shut up, and specifically with the --
16 the language "shut the fuck up," do you -- would you
17 approve of that instruction?

18 MR. PERRIN: Objection, form.

19 A. Would you repeat the question?

20 Q. (By Mr. Freeman) Yes. Would you approve of
21 that instruction?

22 MR. PERRIN: Objection, form.

23 THE WITNESS: Do I answer the question?

24 MR. PERRIN: If you can.

25 A. I'm sorry. Will you ask the question one more

Page 11

1 time?

2 Q. (By Mr. Freeman) Yes, sir.

3 Would -- do you approve of Mr. Ludlow's
4 instruction to Mr. Denegre during his deposition?

5 MR. PERRIN: Objection, form.

6 A. I -- I don't know.

7 Q. (By Mr. Freeman) You don't have an opinion on
8 whether it was appropriate to make the statement "shut
9 the fuck up"?

10 A. No, I don't know the other circumstances in the
11 conversation.

12 Q. Okay. So you don't have an opinion on whether
13 it was appropriate for Mr. Ludlow to instruct Mr.
14 Denegre to shut up during his deposition?

15 MR. PERRIN: Objection, form.

16 A. No.

17 Q. (By Mr. Freeman) No?

18 MR. PERRIN: Just pause a second. Give me
19 -- if I need to make an objection, let me make it.

20 THE WITNESS: Okay.

21 MR. PERRIN: The court reporter is good;
22 she can't get us both talking at the same time.

23 THE WITNESS: Okay.

24 Q. (By Mr. Freeman) Do you know what Mr. Ludlow
25 meant by that instruction?

Page 12

1 MR. PERRIN: Objection, form.

2 A. I don't.

3 Q. (By Mr. Freeman) Does Mr. Denegre have a good
4 memory?

5 A. I don't know.

6 Q. Does he have -- frequently have difficulty
7 recalling events?

8 A. I -- I don't know.

9 Q. Okay. Is he a pretty sharp guy?

10 A. Yes.

11 Q. Okay. Is he generally honest?

12 A. He is to me.

13 Q. And what do you mean by that?

14 MR. PERRIN: Objection, form.

15 A. I don't know if he's honest to other people
16 because I'm not there.

17 Q. (By Mr. Freeman) Okay. Do you believe him to
18 be honest to other people?

19 MR. PERRIN: Objection, form.

20 A. Yes.

21 Q. (By Mr. Freeman) Have you ever had any reason
22 to believe that he was not honest?

23 A. No.

24 Q. And did you discuss Mr. Denegre's deposition
25 with him?

Page 13

1 A. No.

2 Q. Did you discuss it prior to his deposition?

3 A. No.

4 Q. Never?

5 A. No.

6 Q. Mr. Hook, why did Super G Capital fore --
7 foreclose on ACET Global's assets?

8 A. I don't know.

9 Q. What did you believe to be the legal
10 significance of that event?

11 MR. PERRIN: Objection, form.

12 A. I -- I don't know.

13 Q. (By Mr. Freeman) What was your involvement in
14 that process?

15 A. Which process?

16 Q. The foreclosure process.

17 A. None.

18 Q. Did you even know it occurred?

19 A. No.

20 Q. When did you first learn that it had occurred?

21 A. I have no idea.

22 Q. Okay. Did Baymark Partners have any
23 involvement in that foreclosure process?

24 MR. PERRIN: Objection, form.

25 A. I don't know.

Page 14

1 Q. (By Mr. Freeman) Okay. Why don't you know?

2 MR. PERRIN: Objection, form.

3 A. I don't know.

4 Q. (By Mr. Freeman) You signed ACET Holdco's tax
5 returns; correct?

6 A. I don't know.

7 Q. Okay. Go ahead and put on the screen what's
8 marked as Exhibit 44. Do you see this, sir?

9 MR. PERRIN: Jason, again, the screen is
10 far away. I'm pulling it up on my computer in front of
11 him right here.

12 Q. (By Mr. Freeman) Are you able to see this,
13 sir?

14 A. Yes, I see the first page, uh-huh.

15 Q. Okay. And do you recognize that -- that
16 letter?

17 A. I -- I see the letter. I don't know what you
18 mean by "recognize."

19 Q. Okay. Does that appear to be a letter from
20 your accounting firm to you?

21 A. Yes, it does.

22 Q. And does it appear to be dated March 18, 2019?

23 A. Yes.

24 Q. And do you have any reason to believe that it
25 is not what it purports to be?

Page 15

1 A. No.

2 Q. Okay. Does it appear to attach a federal tax
3 return?

4 A. Yes.

5 Q. Okay. And did you sign this tax return when it
6 was filed?

7 MR. PERRIN: Any place you want him to
8 look, Jason, or --

9 MR. FREEMAN: No. I just -- here's -- this
10 may be helpful. So, what's on the screen -- your screen
11 is not going to sync up to mine, is it?

12 MR. PERRIN: No.

13 Q. (By Mr. Freeman) Okay. So, the third page of
14 the actual 1065.

15 A. Yes.

16 Q. Do you see your name listed there, sir?

17 A. Yes.

18 Q. Okay. And did you -- did you execute this tax
19 return?

20 A. I don't remember.

21 Q. Okay. Is this, in fact, the federal tax return
22 for Baymark ACET Holdco, LLC?

23 A. No.

24 Q. No?

25 A. No. It says Baymark ACET Direct Invest, LLC.

Page 16

1 Q. Exhibit -- are we looking at the same exhibit
2 here?

3 A. Let's see here.

4 Q. Exhibit 44?

5 MR. PERRIN: We are on the page you last
6 directed him to, Page 3 of the return.

7 Q. (By Mr. Freeman) Okay. Can you -- can you see
8 my screen at all?

9 A. I can see your screen, but I can't read
10 anything from here.

11 Q. Okay. The first page of the form 1065 is the
12 eighth page of the PDF document. Are we on that?

13 MR. PERRIN: We will be in a second.

14 MR. FREEMAN: Okay.

15 MR. PERRIN: We are there.

16 MR. FREEMAN: Okay.

17 Q. (By Mr. Freeman) Sir, do you -- do you see
18 that this is a tax return for Baymark ACET Holdco, LLC?

19 A. Yes.

20 Q. Is this a form 1065?

21 A. Yes.

22 Q. Okay. And did you sign this document on behalf
23 of Baymark ACET Holdco, LLC?

24 A. I don't remember.

25 Q. Okay. If you will scroll down two more pages,

Page 17

1 the tenth page of the PDF, you'll see that your name is
2 listed there; is that correct?

3 A. Yes.

4 Q. Okay. Does that help you remember?

5 A. I don't remember signing this document.

6 Q. Okay. Would we need to speak with the
7 accountants to determine whether you signed this
8 document?

9 MR. PERRIN: Objection, form.

10 A. That -- that's up to you.

11 Q. (By Mr. Freeman) Okay. I'm -- I'm asking it.
12 Would anyone else know?

13 A. I -- I assume this firm would know, uh-huh.

14 Q. Okay. Did you review this document prior to it
15 being filed?

16 A. I -- I don't remember.

17 Q. Okay. Did you ever ask Tony Ludlow to review a
18 return before it was filed?

19 A. I don't remember.

20 Q. Okay. Did you ever ask Matthew Denegre to
21 review a return before it was filed?

22 A. I don't remember.

23 Q. Okay. Mr. Hook, is there -- have you suffered
24 any -- any injuries in recent years, anything that might
25 affect your -- your recollection or memory?

Page 18

1 A. Not that I'm aware of.

2 Q. No?

3 Are you on any medications today?

4 A. Yes.

5 Q. What medications are you on?

6 A. A blood pressure medication and an allergy
7 medication.

8 Q. Are you on any other medications that might
9 impact your cognitive abilities?

10 A. Not that I'm aware of.

11 Q. Okay. Are you under the influence of any
12 drugs?

13 A. No.

14 Q. Okay. Any other reason to believe that your
15 memory may be inhibited in any way today?

16 A. No.

17 Q. Okay. Were you the president of ACET Global?

18 A. I don't remember.

19 Q. You don't remember if you ever served as the
20 president of ACET Global?

21 A. No.

22 Q. Okay. Do you know how many presidents ACET
23 Global had?

24 A. No.

25 Q. Do you remember whether ACET Global ever filed

Page 19

1 for bankruptcy?

2 A. No.

3 Q. You don't?

4 A. No.

5 Q. Would seeing a copy of the bankruptcy petition
6 help you remember that?

7 A. I don't remember it. If you show me it, I can
8 look at it. But I won't remember it.

9 Q. Okay. I will place on the screen what's marked
10 as Exhibit 1. Take a minute to look at that, Mr. Hook.

11 Do you remember ACET Global filing for
12 bankruptcy?

13 A. No.

14 Q. Was all of that handled by Mr. Ludlow?

15 A. I don't know what you mean by "all of that."

16 Q. Was the bankruptcy process handled by Mr.
17 Ludlow?

18 A. I didn't know that there was one.

19 Q. Okay. Were you aware that the bankruptcy
20 petition for ACET Global, LLC listed a debt to ACET
21 Venture Partners of \$3.23 million?

22 A. No.

23 Q. Okay. Do you know who prepared the bankruptcy
24 documents?

25 A. No.

Page 20

1 Q. Okay. Sir, if you will see -- look to what's
2 on your screen. It's the fifth page of Exhibit 1. Do
3 you recognize that signature?

4 A. No.

5 Q. No?

6 Does that purport to be the signature of
7 Anthony Ludlow?

8 A. That doesn't look like Tony's regular
9 signature.

10 Q. Do you have any reason to believe that might be
11 forged?

12 MR. PERRIN: Objection, form.

13 A. No.

14 Q. (By Mr. Freeman) Okay. If you will, look at
15 the fourth page of Exhibit 1. Do you see there under --
16 under Item No. 17, there's a signature, purports to be
17 the signature of Anthony Ludlow. Do you see that, sir?

18 A. Yes.

19 Q. Does that appear to be Mr. Ludlow's signature?

20 A. No.

21 Q. No?

22 Do you have any reason to believe that this
23 signature may have been forged?

24 MR. PERRIN: Objection, form.

25 A. No.

Page 21

1 Q. (By Mr. Freeman) Why does this signature not
2 appear to be that of Mr. Ludlow?

3 A. It doesn't look like his normal signature.

4 Q. In what way does it appear different from his
5 normal signature?

6 MR. PERRIN: Objection, form.

7 A. Can you ask me the question a different way?

8 Q. (By Mr. Freeman) Yeah.

9 How does Mr. Ludlow's normal signature look
10 different from the one reflected here?

11 MR. PERRIN: Objection, form.

12 A. I'm not sure how to answer the question. I
13 guess the "A" doesn't look the same.

14 Q. (By Mr. Freeman) Okay. How does the "A" look
15 on his normal signature?

16 A. Different than this one.

17 Q. Okay. And how does it look different?

18 MR. PERRIN: Objection, form.

19 MR. FREEMAN: Basis?

20 MR. PERRIN: Asked over and over again.

21 He's told you it doesn't look like it, and you've asked
22 this six different ways. Argumentative.

23 MR. FREEMAN: I haven't gotten an answer
24 once.

25 Q. (By Mr. Freeman) All right. How does it look

Page 22

1 different?

2 A. This "A" is larger than his right -- than his
3 other "A."

4 Q. Okay. Any other way?

5 A. Well, there's a circle that goes into the --
6 where the president is, that doesn't seem his normal
7 way.

8 Q. Okay. Anything else?

9 A. Well, those are the two things that I would
10 recognize. I'm not sure I would recognize anything
11 else.

12 Q. Okay. Has Mr. Ludlow ever told you that he did
13 not sign the bankruptcy petition that was filed for ACET
14 Global?

15 A. No.

16 Q. Have you ever had any discussion with him about
17 ACET Global's bankruptcy?

18 A. No.

19 Q. Okay. Did you ever discuss with anyone ACET
20 Global's bankruptcy?

21 A. No.

22 Q. Have you ever discussed the possibility that
23 ACET Global might go into bankruptcy?

24 A. I don't recall.

25 Q. Okay. Show you what's marked as Exhibit 36.

Page 23

1 Take a look, sir. Appears to be an email between
2 Matthew Denegre and -- and Tony Ludlow containing a
3 number of bankruptcy-related documents.

4 MR. PERRIN: We just got it. We just got
5 it up just now. There we go. All right. 36 is up.

6 MR. FREEMAN: Okay.

7 Q. (By Mr. Freeman) Mr. Hook, this appears to be
8 an email between Matthew Denegre and Tony Ludlow
9 exchanging a number of bankruptcy documents; is that
10 correct?

11 A. That's what it says.

12 Q. Okay. And does that also appear to be what
13 this is?

14 A. I guess. I don't -- I don't know. I didn't
15 know.

16 Q. Do you find that things are often not what they
17 say they are?

18 MR. PERRIN: Objection, form.

19 A. I don't have a comment on that question.

20 Q. (By Mr. Freeman) Okay. Does this appear to be
21 an email exchanging a number of bankruptcy documents?

22 A. Yes, it says, "Attached are the bankruptcy
23 documents." That's what that says.

24 Q. Great. Is there a reason that you were not on
25 any of this bankruptcy correspondence?

Page 24

1 A. You'll have to ask them.

2 Q. Okay. You think that's something that Matthew
3 Denegre would remember?

4 A. I have no idea.

5 Q. Okay. Did Baymark Partners coordinate the
6 bankruptcy filings with -- with its counsel?

7 MR. PERRIN: Objection, form.

8 A. Like I said multiple times, I wasn't aware of a
9 bankruptcy.

10 Q. (By Mr. Freeman) Okay. Did you ever discuss
11 the possibility of ACET Global going into bankruptcy?

12 A. I -- I don't recall any.

13 Q. Okay. Is that something you think you would
14 recall or --

15 MR. PERRIN: Objection, form.

16 A. I'm not sure how to answer that question.

17 Q. (By Mr. Freeman) Okay. Have you ever
18 suggested that ACET Global should go into bankruptcy?

19 A. I don't recall saying that.

20 Q. Okay. Did you have discussions about ACET
21 Global potentially being put into bankruptcy, back in
22 2017?

23 A. I -- I don't recall any.

24 Q. Okay. Do you think -- have you ever used the
25 threat of bankruptcy as leverage against a creditor?

Page 25

1 A. I do not believe I have in almost 40 years of
2 being involved in companies.

3 Q. Do you think that would be wrong, or you've
4 just never done it?

5 A. I think it would be -- will you repeat the
6 question, please?

7 Q. Yeah.

8 Do you think it would be wrong to use the
9 threat of bankruptcy against a creditor?

10 A. It depends on the circumstance.

11 Q. And can you explain what you mean by that?

12 A. Well, I -- I'd have to have what the
13 circumstance is.

14 Q. Okay. Let's say a creditor is owed money by a
15 company. Do you think it is okay for that company's
16 directors to threaten bankruptcy?

17 MR. PERRIN: Objection, form.

18 A. In almost all cases I would say that...

19 Q. (By Mr. Freeman) In almost all cases you would
20 say that. That is your answer or --

21 A. We have no interest in -- in doing any kind of
22 acts like that.

23 Q. Okay. So --

24 A. But I don't -- I don't know all of the
25 different circumstances. But we are not in business to

Page 26

1 do that to anybody.

2 Q. Do you think it would generally be wrong to
3 threaten bankruptcy to a creditor unless they -- they
4 reduce the payments that they're entitled to?

5 MR. PERRIN: Objection, form.

6 A. I don't know. It depends on the circumstance.

7 Q. (By Mr. Freeman) Okay. But you don't recall
8 ever having discussions about -- about ACET Global being
9 put into bankruptcy?

10 A. No.

11 Q. At any point?

12 A. No.

13 Q. Sir, if you will, I'm putting up what's Exhibit
14 34. It's marked as Exhibit 34. Do you see this, sir?

15 A. Uh-huh.

16 Q. And this is an email exchange between you and
17 Tony Ludlow?

18 A. Yes, it is.

19 Q. And is it an email exchange in December of
20 2017?

21 A. December '17, yes.

22 Q. Okay. And if you'll go down to the email from
23 you, at the bottom of the first page, on December 13,
24 2017 from -- from David Hook, it says
25 DHook@BaymarkPartners.com. Is that your email address?

Page 27

1 MR. PERRIN: Where are you, Jason? You
2 lost me.

3 MR. FREEMAN: Bottom of Page 30 -- bottom
4 of Page 1 of Exhibit 34.

5 MR. PERRIN: Okay.

6 Q. (By Mr. Freeman) Okay. And there on the
7 second line of that, you said "what about bankruptcy for
8 ACET?"

9 A. Yes.

10 Q. Do you see that? Is that a correct reading of
11 your email?

12 A. Yes.

13 Q. Okay. And what did you mean by that?

14 A. I don't recall.

15 Q. Okay. And you don't recall having any
16 discussions at all about the possibility of ACET Global
17 going into bankruptcy?

18 A. No.

19 Q. Okay. You don't recall having any of those
20 discussions with Tony Ludlow; correct?

21 A. No.

22 Q. Okay. Do you recall Mr. Ludlow's response in
23 which he said it may be an option if Super G doesn't
24 agree to reduce payments?

25 A. That's what it says, uh-huh.

Page 28

1 Q. Okay. But you don't know what this is about?

2 A. Well, it must not have been a very deep
3 discussion because I answered "agreed." So, it --

4 Q. All right.

5 A. -- seems to me to be very preliminary. I don't
6 remember these emails.

7 Q. Okay. Does this appear to be a true and
8 correct copy of the email exchange between you and
9 Mr. Hook?

10 A. Mr. -- yes, it does.

11 Q. Okay.

12 MR. PERRIN: I think -- I think you meant
13 Ludlow.

14 A. Yeah, you meant --

15 Q. (By Mr. Freeman) Mr. Ludlow, yes.

16 A. Yes, it does.

17 Q. All right. Thank you.

18 Have you ever -- have you ever stated that
19 it may be a viable strategy to simply not pay a
20 creditor?

21 A. No.

22 Q. Or to tell a creditor that, you know, maybe
23 they should stop trying to collect or you were going to
24 shut a company down?

25 A. I don't recall ever having a conversation like

Page 29

1 that.

2 Q. Does that sound like something you would ever
3 say?

4 A. No. Actually, it's just the opposite of what I
5 would say.

6 Q. Do you think you would ever -- you know, do you
7 think you would ever tell a creditor to stop trying to
8 collect or you would shut the company down and they
9 wouldn't get a penny?

10 A. I don't recall ever doing that, no.

11 Q. Okay. Do you believe that would be wrong if
12 you did that?

13 MR. PERRIN: Objection, form.

14 A. It -- it depends on certain circumstances.

15 Q. (By Mr. Freeman) And what might it depend
16 upon?

17 A. Either paying -- if we pay a creditor and the
18 company goes down the tubes, then obviously that that's
19 not the best interest of the company to do that.

20 Q. Okay. And what about the interests of the
21 creditor?

22 MR. PERRIN: Objection, form.

23 A. Well, if -- if the company goes down the tubes,
24 the creditor wouldn't be able to work with the company
25 in the future.

Page 30

1 Q. (By Mr. Freeman) Okay. So, then, it's your
2 testimony that it's okay to tell a creditor that if they
3 keep asking for payment, you'll shut the company down
4 and they won't get anything?

5 A. In -- in certain circumstances.

6 Q. Okay. Okay. Can you think of circumstances
7 where you've ever done that?

8 A. I don't recall.

9 Q. Okay. But you think it can be okay to tell a
10 creditor that you're going to shut the company down and
11 they won't get anything?

12 A. In certain circumstances.

13 Q. Okay. Any other circumstances you can think
14 of?

A. Not off the top of my head.

16 Q. Okay. And, so, that does, then, after giving
17 it some more thought, sound like something you would
18 say?

19 MR. PERRIN: Objection, form.

20 A. No, it actually is not what I would -- be
21 something I would normally say.

22 Q. (By Mr. Freeman) Okay. If you will, sir, turn
23 to Exhibit 46. Do you see that document, sir?

24 A. Just came up.

Q. Is this an email -- is this an email chain

Page 31

1 among you, Mr. Ludlow, and Mr. Denegre?

2 A. The first one is Mr. Szeto. And then there's
3 Matt Denegre, uh-huh.

4 Q. And does this appear to be a true and correct
5 copy of the email correspondence that's reflected here?

6 A. Yes.

7 Q. Okay. And if you'll -- you'll look towards the
8 top, the first page, sir?

9 A. Uh-huh.

10 Q. The email right below that is an email --

11 MR. PERRIN: Wait a minute, Jason. He's
12 still reading up to that point.

13 A. Okay.

14 Q. (By Mr. Freeman) Okay. The email right below
15 that is from March 15, 2018 from David Hook,
16 DHook@BaymarkPartners.com?

17 A. Uh-huh.

18 Q. And that's your email address; correct?

19 A. Uh-huh. Yes.

20 Q. And it says "maybe we tell them to stop or we
21 shut the company down and they won't get anything"?

22 A. That's right.

23 Q. And is that a correct reflection of your email,
24 sir?

25 A. Yes, it is.

Page 32

1 Q. Okay. And did Mr. Ludlow respond by saying
2 "yeah, definitely an option. We can strategize and then
3 get back with them"?

4 A. Yes.

5 Q. Okay. And on the subject line of this email,
6 does it state, in parentheses, "ACET"?

7 A. Yes.

8 Q. And did you understand that to refer to ACET
9 Global?

10 A. Yes.

11 Q. Okay. Mr. Hook, what do you do for a living?

12 A. I'm managing director of a private equity firm.

13 Q. Okay. And what is that private equity firm?

14 A. Pardon me?

15 Q. What is that private equity firm?

16 A. What is it?

17 Q. Yes, sir.

18 A. We acquire companies.

19 Q. Okay. Well, let's start with what's the name
20 of it.

21 A. Baymark Partners.

22 Q. Baymark Partners.

23 Okay. And how long have you done that?

24 A. Almost 11 and a half years.

25 Q. Okay. And who do you report to?

Page 33

1 A. Tony Ludlow and I are partners -- equal
2 partners.

3 Q. Okay. Do you two own Baymark Partners?

4 A. Yes.

5 Q. Okay. Are you 50/50?

6 A. Yes.

7 Q. Okay. How do you determine whether to invest
8 in a company?

9 A. I need you to be more specific than that.

10 Q. Does Baymark Partners invest in other
11 companies?

12 A. Yes.

13 Q. Okay.

14 A. No, we acquire them.

15 Q. You acquire. Okay.

16 A. That's right.

17 Q. Do you -- does Baymark Partners only engage in
18 transactions in which it obtains at -- at least a
19 majority or controlling position in a company?

20 A. Yes.

21 Q. Okay. How do you determine whether to make
22 that investment?

23 A. Mr. Freeman, there's a lot of things that go
24 into making an investment.

25 Q. Right. Let's start with some of them.

Page 34

1 A. The management team or the entrepreneurs. The
2 second one is the market opportunity. The other one is
3 if we like a company. Another one is whether we can get
4 the company financed.

5 Q. Okay.

6 A. Those are four main reasons.

7 Q. Okay. How do you determine whether a
8 particular company is a -- makes good financial sense?

9 A. We look at their financial statements in the
10 past, the -- the current ones, and projections for the
11 future.

12 Q. Okay. And what, specifically, do you look to
13 on those financial statements?

14 A. Primarily EBITDA, revenue, and margins.

15 Q. Okay. And what do you mean by margins?

16 A. Gross margins and EBITDA margins.

17 Q. Okay. And what is EBITDA margin?

18 A. Earnings before interest, taxes, depreciation,
19 and amortization.

20 Q. Okay. And does Baymark Partners generally
21 adjust EBITDA in its evaluations or use a straight
22 EBITDA figure?

23 A. I'm not sure I understand the question. We
24 look at current EBITDA, trailing 12 months' adjusted
25 EBITDA.

Page 35

1 Q. Okay. And what's -- what's a sign that EBITDA
2 is good or positive?

3 A. Depends on the company and the industry.

4 Q. Okay. Let's say, like, the -- the industry we
5 are dealing with in this case.

6 A. We would look for greater than 10 percent
7 EBITDA margins.

8 Q. Okay. And why is that?

9 A. Because the higher the EBITDA, the better.

10 Q. And why the better?

11 A. Why is it better to have more profit?

12 Q. Yeah. Yeah. Why is a higher EBITDA better?

13 Why, specifically?

14 A. I'm not sure I understand the question. Why is
15 -- why is it better for a company to be more profitable?
16 I think that's self-explanatory, isn't it?

17 Q. I'm not sure.

18 Is EBITDA -- is EBITDA a measure of
19 profitability?

20 A. Yes.

21 Q. Okay. Now we're starting to link it together.
22 Okay? So, now, tell me from there why is it that you
23 believe a higher EBITDA is better?

24 A. Well, a higher EBITDA is more attractive and
25 makes the company more valuable.

Page 36

1 Q. Okay.

2 A. Depending on the circumstances. But if you
3 have two companies, exactly the same industry, and one
4 has a 10 percent EBITDA margin and one has 20 percent
5 EBITDA margin, the 20 percent EBITDA margin company is
6 going to be worth more and be more valuable.

7 Q. All things equal?

8 A. Right.

9 Q. Can a company have value without EBITDA?

10 A. Possibly.

11 Q. And what might lead it to have value?

12 A. There might be some strategic region -- reason.

13 Q. Right. Like --

14 A. Like Baymark Partners has never bought a
15 company with zero EBITDA.

16 Q. Okay. But a company could have that for
17 various reasons; right?

18 A. Possibly, uh-huh.

19 Q. Perhaps it is sitting on licensing rights.
20 Might that be a reason?

21 A. Yes.

22 Q. Or some sort of intellectual property --

23 A. Yes.

24 Q. -- that isn't marketed or monetized yet?

25 A. Yes.

Page 37

1 Q. So there could be a number of reasons that
2 EBITDA might not be the best proxy or valuation model
3 for determining the value of a company; correct?

4 MR. PERRIN: Objection, form.

5 A. Yes. But that's not the case in Baymark
6 Partners. We -- we put a extremely high emphasis on
7 EBITDA.

8 Q. (By Mr. Freeman) And why is that?

9 A. Because it's the cash flow of the business, and
10 you need cash flow to pay off debt.

11 Q. Okay. So the cash flow is important for
12 Baymark Partners?

13 A. Yes.

14 Q. Okay. When -- when Baymark Partners invests in
15 a company, do you take a hands-on role?

16 A. Define "hands-on."

17 Q. Well, do you get involved or -- or are you
18 completely -- completely on the outside of the company?

19 A. I'm sorry. I really don't know how to answer
20 the question. Rephrase the question, please.

21 Q. Sure.

22 When -- when Baymark Partners invests in a
23 company, do you engage in any activities on behalf of
24 that company?

25 MR. PERRIN: Objection, form.

1 A. Define activities.

2 Q. (By Mr. Freeman) Operational activities.

3 A. We monitor our companies.

4 Q. Okay. What do you mean by "monitor"?

5 A. We review financial statements. We review the
6 performance of the management team or people running the
7 business. We look to help and assist the company in any
8 way that we can. And every company is different. So,
9 some items we do for some companies; other companies
10 don't need that. So, we do a plethora of things to
11 monitor and assist the company in growing and building
12 the business.

13 Q. Okay. Do you oversee a company's operations?

14 A. We -- we don't go and visit the company and
15 look at the operations. But whenever we acquire a
16 company, we have a weekly call -- same day, same time --
17 and we are talking to management team or emailing
18 management team members throughout the week, depending
19 on what stage and the circumstances the company is in.

Q. Okay. Do you give management directions?

21 A. We partner with management because they know
22 more about their business and their markets than we do.
23 So, we -- it's very much of a partnership.

Q. It's like (audio distortion) for example?

25 MR. PERRIN: Wait a minute. I don't think

Page 39

1 he was through with his answer yet.

2 Q. (By Mr. Freeman) Oh. Please, go ahead.

3 A. Yes. That's okay. Yeah. It's a partnership
4 philosophy that we have.

5 Q. Okay. For example --

6 A. Very rarely do I ever tell a management team
7 that they have to do this. That's not my style.

8 Q. Okay.

9 A. (Phone ringing) Pardon me.

10 Q. Sure.

11 A. So, to -- I'm sorry. I turned it off.

12 Q. No problem.

13 Do -- does Baymark Partners make personnel
14 decisions on behalf of the companies?

15 A. We can, uh-huh, yes.

16 Q. Okay. And what gives it the authority to do
17 that?

18 MR. PERRIN: Objection, form.

19 A. The legal documents when we close the
20 transaction.

21 Q. (By Mr. Freeman) Okay. And how do they do
22 that, to your understanding?

23 A. They're in the legal documents.

24 Q. Does Baymark Partners make any day-to-day
25 business decisions on behalf of its companies?

Page 40

1 A. No.

2 Q. No.

3 Okay. ACET Global -- ACET Global, LLC --

4 are you familiar with the company?

5 A. Yes.

6 Q. Okay. What -- what is your role, currently,
7 with ACET Global?

8 A. I don't have any.

9 Q. Okay.

10 A. That I know of.

11 Q. From 2017 to 2019, what was your role at ACET
12 Global?

13 A. You would have to be more specific on your
14 dates.

15 Q. Okay. Well, at any point during there, I mean,
16 were there -- did you have any role at ACET Global?

17 A. Yes.

18 Q. Okay. Can you tell me what that was?

19 A. To oversee in -- the performance of the
20 company.

21 Q. Okay. In what capacity did you oversee the
22 performance of ACET Global?

23 A. At what capacity? I -- I was -- well, I was in
24 charge for Baymark Partners, that acquisition. And I
25 worked on it with Matt Denegre.

Page 41

1 Q. Okay. Were you ever the president of ACET
2 Global, LLC?

3 A. I don't remember what my title was.

4 Q. Okay. So you were in charge of the acquisition
5 of ACET Global, LLC. Did you remain in charge of that
6 company throughout its existence?

7 A. No.

8 Q. No? When did you stop being in charge of it?

9 A. I don't recall, but it wasn't very long.

10 Q. Okay. And what do you mean by not very long?

11 A. Probably two to three, maybe four months.

12 Q. Okay. And why did you stop being in charge of
13 it?

14 A. Because my partner took it over, Anthony
15 Ludlow.

16 Q. Mr. Ludlow took over then?

17 A. Yes.

18 Q. Okay. Was that in, like, February of 2018?

19 A. I don't recall.

20 Q. Okay. Why did he take it over?

21 A. Because the company had declined, and he was a
22 better person to work with a declining company than I
23 was.

24 Q. Why was he a better person?

25 A. Because my background is all in growing

Page 42

1 businesses. And, so, I went on to go work on other
2 companies.

3 Q. Okay. And why was he well suited for this
4 company?

5 A. Because he's really good at working with
6 companies that were -- have -- have been -- have
7 declined or were in trouble.

8 Q. Okay. So, has Mr. Ludlow worked with quite a
9 number of companies that have declined?

10 A. No.

11 Q. No?

12 Has Mr. Ludlow worked with quite a number
13 of companies that have gone into default on their loans?

14 A. No.

15 Q. No?

16 Why was Mr. Ludlow suited to work with ACET
17 Global?

18 A. It was just a better -- it was just a better
19 fit. And we just decided, as a firm, that he would --
20 would take it over and I'd go on to other companies.

21 Q. Did he have any special skills or relationships
22 that made him a good fit?

23 A. Any skills or relationships. Not -- not
24 particular relationships, but he's very good with
25 people.

Page 43

1 Q. Okay. Baymark ACET Holdco, LLC. Are you
2 familiar with the entity?

3 A. I'm familiar with the name.

4 Q. Okay. From 2017 to 2019, what was your role at
5 Baymark ACET Holdco, LLC?

6 A. Well, when we buy companies, there are multiple
7 entities. So, my role is not different in any of the
8 entities. It's the same role for all of them.

9 Q. What do you mean by the same role for all of
10 them?

11 A. Well, my role is to help management, management
12 teams, entrepreneurs help grow and expand their
13 business. So, it doesn't matter what entity is
14 involved. I'm trying to help our companies grow and
15 take them to the next level.

16 Q. Okay. Were you a -- were you a member of
17 Baymark ACET Holdco, LLC?

18 A. I don't recall. I'm involved in quite a --
19 quite a lot of entities. So, I don't know exactly what
20 my title is in each entity.

21 Q. Okay. Were you a manager of Baymark ACET
22 Holdco?

23 A. As I said, I don't remember.

24 Q. Okay. Were you the president of Baymark ACET
25 Holdco?

Page 44

1 A. I don't remember.

2 Q. Okay. Did you ever do any -- take any action
3 on behalf of Baymark ACET Holdco?

4 A. Can you be more specific?

5 Q. Any -- any -- did you ever engage in any act on
6 behalf of Baymark ACET Holdco?

7 MR. PERRIN: Objection, form.

8 A. Probably.

9 Q. (By Mr. Freeman) What do you -- what do you
10 think that was?

11 A. Well, the company was not performing; and it
12 declined very rapidly. So, we were looking to try to
13 help the company. And I knew a guy named Bill Szeto
14 that I thought would be a really good fit to help the
15 company. So, if that's an act, I introduced the company
16 to Bill Szeto.

17 Q. Okay. So, Baymark ACET Holdco was not doing
18 well?

19 A. Well, ACET Global wasn't doing well.

20 Q. Okay.

21 A. Therefore the Holdco wasn't doing well.

22 Q. Was that all that Holdco owned?

23 A. I assume.

24 Q. Okay. What about Baymark ACET Direct Invest,
25 LLC? Are you familiar with this company?

Page 45

1 A. Again, that's one of the multiple entities that
2 whenever we buy a company, we have. So, my role is the
3 same in all the entities.

4 Q. Why do you have multiple entities in all of the
5 deals that you have?

6 A. For different reasons.

7 Q. Okay. What are those different reasons?

8 A. There are -- there are legal reasons that you
9 will have to ask the attorneys.

10 Q. Okay. So, to you, they don't really make a
11 difference, but the -- the attorneys advise them?

12 MR. PERRIN: Objection, form.

13 A. No. The advise -- attorneys don't advise them.
14 They set up in what we think is the best legal
15 structure.

16 Q. (By Mr. Freeman) Okay. And why do you think
17 that that's the best legal structure?

18 A. I don't know, Mr. Freeman.

19 Q. Okay. Is it designed to accomplish any
20 particular purpose?

21 A. I'm sure it is.

22 Q. Okay. But you don't know what that purpose is?

23 A. No.

24 Q. Okay. I mean, are these entities, like, they
25 just all kind of the same to you?

Page 46

1 MR. PERRIN: Objection, form.

2 A. Yes, and -- yes.

3 Q. (By Mr. Freeman) Okay. Baymark ACET Direct
4 Invest, LLC. Are you familiar with that entity?

5 A. I have heard the name.

6 Q. Okay. What -- what do you believe that to be,
7 if you know?

8 A. I think that's where the investors -- that's
9 the entity where the investors are.

10 Q. Okay. Who are the investors?

11 MR. PERRIN: Objection, form.

12 A. I don't know specifically, but obviously,
13 Baymark is in there. But I don't know what entity where
14 in that -- I would -- I would think.

15 Q. (By Mr. Freeman) Okay. All right. And you
16 don't know if there were other investors in the deal?

17 MR. PERRIN: Objection, form.

18 A. I don't recall.

19 Q. (By Mr. Freeman) Okay. From 2017 to '19, what
20 was your role at Baymark ACET Direct Invest?

21 A. I think I answered that question already,
22 haven't I?

23 Q. Well, do you know if you were a member?

24 MR. PERRIN: Objection, form.

25 A. I told you, I don't.

Page 47

1 Q. (By Mr. Freeman) Do you know if you were a
2 manager?

3 MR. PERRIN: Objection, form.

4 A. No.

5 Q. (By Mr. Freeman) Do you know if you were the
6 president?

7 A. No.

8 MR. PERRIN: Objection, form.

9 Q. (By Mr. Freeman) Baymark Partners. What is
10 Baymark Partners? What is the legal entity?

11 MR. PERRIN: Objection, form.

12 A. I think it's Baymark Partners, L -- LP, I
13 think.

14 Q. (By Mr. Freeman) So, when we refer to Baymark
15 Partners, we're referring to -- you understand that to
16 be Baymark Partners, LP; correct?

17 A. That's right, the name of the firm. Uh-huh.

18 Q. Is there another Baymark Partners that you're
19 aware of?

20 A. No.

21 Q. And is that how you hold it out, as Baymark
22 Partners?

23 MR. PERRIN: Objection, form.

24 A. Yes.

25 Q. (By Mr. Freeman) And is that how other members

Page 48

1 of Baymark Partners hold it out, as -- as Baymark
2 Partners?

3 A. Yes.

4 Q. Okay.

5 A. That's the name of the firm.

6 Q. Okay. From 2017 to 2019, what was your role at
7 Baymark Partners?

8 A. Well, I'm managing director. I'm a founder of
9 the firm. We buy companies, and we try to help them
10 grow and expand their business. So, we assist
11 management, management teams, and entrepreneurs growing
12 their business.

13 Q. Okay. And are you compensated for that?

14 MR. PERRIN: Objection, form.

15 A. You need to be more specific. Do I take a
16 salary?

17 Q. (By Mr. Freeman) Well, do you receive any --
18 any return for engaging in those activities?

19 MR. PERRIN: Objection, form.

20 A. I -- I take no salary.

21 Q. (By Mr. Freeman) Okay. Do you stand to profit
22 in any other way?

23 A. Yes, if our companies do well.

24 Q. Okay. And -- and how do you stand to profit if
25 they do well?

Page 49

1 A. Well, some companies, we get management fee and
2 we get ownership in the companies, and we also make our
3 investments in the companies.

4 Q. Do you arrange for a management fee in all
5 deals that Baymark Partners engages in?

6 A. Yes, we do, assuming that they can pay them.

7 Q. Okay. And who are those -- who are those
8 management fees made payable to?

9 MR. PERRIN: Objection, form.

10 A. Our management company.

11 Q. (By Mr. Freeman) And who is the management
12 company?

13 A. Baymark Management.

14 Q. So, Baymark Management, LLC?

15 A. I -- I don't know if that's the exact title,
16 but Baymark Management's in there. I don't know if it's
17 an LLC.

18 Q. Okay. Who owns Baymark Management, LLC?

19 A. Tony Ludlow and I.

Q. Okay. Are y'all 50/50?

21 A. Uh-huh. Yes.

22 Q. Okay. And it's not owned by Baymark Partners?

23 A. No.

24 Q. Does it pay any funds to Baymark Partners?

25 A. No.

Page 50

1 Q. Okay. From 2017 to 2019, what was your role at
2 Baymark Management?

3 A. Well, again, that's the firm's management
4 company. So, it's the same -- whatever entity is
5 involved, I have the same role.

6 Q. Okay.

7 A. Or Baymark Management is our -- our entity that
8 we manage the firm.

9 Q. Okay.

10 A. So, we get management fees in; we have expenses
11 go out.

12 Q. Okay.

13 A. So, we are managing the firm.

14 Q. So, if you take an act -- if you engage in an
15 act with respect to a company, is that -- are you doing
16 that through Baymark Management or through another
17 entity?

18 MR. PERRIN: Objection, form.

19 A. We're not doing that through Baymark
20 Management.

21 Q. (By Mr. Freeman) Okay. Be some -- some other
22 capacity?

23 MR. PERRIN: Objection, form.

24 A. Yes.

25 Q. (By Mr. Freeman) So, like, if you give

Page 51

1 directions for, you know, a -- a manager at a company,
2 you're not doing that through Baymark Management;
3 correct?

4 MR. PERRIN: Objection, form.

5 A. I'm not -- yeah. The -- the entities -- you're
6 trying to make a distinction of entities, and you're
7 doing what's best for the company, and you're doing that
8 -- I don't look at it as we're doing it for this entity
9 or that entity. We are trying to help people. We are
10 trying to help entrepreneurs and management team members
11 grow their business.

12 Q. (By Mr. Freeman) Uh-huh.

13 A. So, it doesn't matter what entity I'm working
14 on behalf of. I'm trying to help people and businesses
15 grow.

16 Q. Okay. So you're not engaging in those
17 activities through Baymark Management; you're just doing
18 that personally?

19 MR. PERRIN: Objection, form.

20 A. No. No. I have a -- I work for Baymark
21 Management.

22 Q. (By Mr. Freeman) Okay. So, for example, if
23 you terminate an employee, are you doing that through
24 Baymark Management? Through Baymark Partners? Is it
25 unclear?

Page 52

1 A. I don't know.

2 Q. Okay. Is it generally just unclear?

3 MR. PERRIN: Objection, form.

4 A. It's in the legal documents.

5 Q. (By Mr. Freeman) Okay. So that will be
6 clearly spelled out in the legal documents?

7 MR. PERRIN: Objection, form.

8 A. The control of the company is -- should be in
9 the legal documents.

10 Q. (By Mr. Freeman) Okay. Do you know where in
11 the legal documents?

12 A. I don't.

13 Q. Okay. Windspeed Trading, LLC, are you familiar
14 with this company?

15 A. I have heard the name.

16 Q. Okay. Nothing more, though, than hearing the
17 name?

18 A. Not really.

19 Q. Have you had any discussions about Windspeed
20 Trading, LLC?

21 MR. PERRIN: Objection, form.

22 A. Discussions with whom? When?

23 Q. (By Mr. Freeman) Anyone.

24 MR. PERRIN: Okay. I would caution the
25 witness that to the extent this calls for

Page 53

1 attorney/client communications, they should not be
2 included in your answer.

3 A. Okay.

4 Q. (By Mr. Freeman) Did you have discussions
5 about Windspeed Trading, LLC with anyone other than your
6 attorneys?

7 A. No.

8 Q. No. From 2017 to 2019, what was your role at
9 Windspeed Trading, LLC? Did you have any role?

10 A. I had no role.

11 Q. You were not a member?

12 A. No.

13 Q. Not a manager?

14 A. No.

15 Q. Not a president?

16 A. No.

17 Q. Okay. Can you explain to me how each of the
18 Baymark defendants in this case are -- are related? And
19 I'll ask it in context of each one. I'd kind of like to
20 understand.

21 ACET Global, LLC, who formed ACET Global?

22 MR. PERRIN: Objection, form.

23 A. I don't -- I don't know. I assume attorneys
24 did.

25 Q. (By Mr. Freeman) Okay. And you don't know who

Page 54

1 its principals are?

2 A. Well, again, I don't -- I don't know
3 specifically who did it.

4 Q. Okay. Do you know if it was any of your people
5 at Baymark Partners?

6 A. I don't know of any, no.

7 Q. Okay. Do you know who owns ACET Global, LLC?

8 A. No.

9 Q. What about Baymark ACET Holdco, LLC? Do you
10 know who formed that company?

11 A. No.

12 Q. Okay. Baymark ACET Direct Invest, LLC. Do you
13 know who formed that company?

14 A. No.

15 Q. Or Baymark Management, LLC?

16 A. No.

17 Q. Or Baymark partners?

18 A. No.

19 Q. Do you have an ownership interest in any of
20 these entities?

21 MR. PERRIN: Objection, form.

22 A. I -- ask me the question again.

23 Q. (By Mr. Freeman) Do you have an ownership
24 interest in any of those entities?

25 A. Baymark Partners?

Page 55

1 Q. Yes, sir. Is that it?

2 A. Yes. I have ownership position -- again, I
3 don't know the flow, but I have a position in Baymark
4 Partners and/or Baymark Management.

5 Q. Okay.

6 MR. PERRIN: We've been going about an hour
7 and 15.

8 MR. FREEMAN: Do you want to take a break,
9 Mr. Hook?

10 THE WITNESS: What?

11 MR. FREEMAN: Do you want to take a break?

12 THE WITNESS: Yeah, that's fine.

13 MR. FREEMAN: All right. How long do y'all
14 want?

15 MR. PERRIN: Just five or ten minutes, just
16 to go down the hall and get something to drink.

17 MR. FREEMAN: Sounds good. We'll go off
18 the record.

19 (Break taken from 2:13 to 2:25.)

20 MR. FREEMAN: Go back on the record.

21 Q. (By Mr. Freeman) Mr. Hook, you indicated you
22 -- you are not sure if you've ever been the president of
23 ACET Global?

24 A. That's true.

25 Q. Have you ever signed a document as the

Page 56

1 president of a company that you were not actually the
2 president of?

3 A. That was never my intention. So, the -- no.

4 Q. Okay. So, if you signed a document as
5 president, is it safe to say that you were, in fact, the
6 president?

7 MR. PERRIN: Objection, form.

8 A. Yes, assuming -- assuming that the document was
9 prepared correctly.

10 Q. (By Mr. Freeman) Okay. And before you sign a
11 document, do you attempt to ensure that it was prepared
12 correctly?

13 A. No.

14 Q. No?

15 And before you sign a document, do you
16 attempt to ensure that the designation beside your name,
17 stating your title, is correct?

18 A. No.

19 Q. So you're in the habit of just signing
20 documents no matter what they say your title is?

21 MR. PERRIN: Objection, form.

22 A. Repeat the question, please.

23 Q. (By Mr. Freeman) You're in the habit of
24 signing documents with titles beside your name that you
25 have no idea whether they are your correct title or not?

Page 57

1 A. If they come from a law firm, then that is
2 correct. I don't have a habit of signing other
3 documents with my title that I don't know that's my
4 title.

5 Q. Okay. Like, for example, if you were to sign
6 loan documents, would you want to ensure that the title
7 that you're representing is correct?

8 A. Yes. If they've been reviewed by our
9 attorneys, then yes, I would do that. If they weren't,
10 then I wouldn't -- wouldn't sign it.

11 Q. Okay. Has it been your experience that where
12 your attorneys have put a designation beside your name,
13 they are generally correct?

14 A. Yes. Generally correct, yes.

15 Q. Okay. And your attorneys, any time they're
16 preparing documents for you to sign, do they have access
17 to all of the relevant documents that would indicate
18 what your position is?

19 A. Yes.

20 Q. Okay. Is William Szeto the president of ACET
21 Global, LLC?

22 A. I don't know what his title is.

23 Q. Do you know if he was ever the president of
24 ACET Global?

25 A. I do not know that for sure.

Page 58

1 Q. Okay. If you will, I'm putting on the screen
2 what's marked as Exhibit 48. Do you see this document,
3 sir?

4 A. Forbearance agreement? Exhibit 48, yes. It's
5 -- I'm looking at it right now.

6 Q. Okay. And do you recognize the document?

7 A. No.

8 Q. But it appears to be a forbearance agreement?

9 A. Yes.

10 Q. Okay. Is that between Super G Capital, LLC and
11 ACET Global, LLC?

12 A. That's what it says.

13 Q. Okay. And does it reflect a commencement date
14 of April 12th, 2018?

15 A. Yes.

16 Q. Okay. If you go down to the ninth page of this
17 document, Bates label page BP006112 --

18 A. I'm sorry. You went too fast. Could you
19 repeat that?

20 Q. Yes, sir. It's the ninth page of the document.
21 Got it?

22 A. No. I -- just one -- one second.

23 0. Okay.

24 M

25 MR. FREEMAN: Yes

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Page 59

1 A. Okay. There's two signatures, uh-huh.

2 Q. (By Mr. Freeman) Who is listed as the borrower
3 on this document?

4 A. The lender is Super G Capital.

5 Q. Okay. And who is the borrower?

6 A. I don't know. It doesn't say on this page.

7 Oh, the borrower. I'm sorry. ACET Global, LLC.

8 Q. Okay. And who is the listed signer there below
9 ACET Global, LLC?

10 A. Myself, David J. Hook.

11 Q. Okay. And is that, in fact, your signature?

12 A. I don't believe so.

13 Q. No? Do you believe that to be a falsified
14 signature?

15 MR. PERRIN: Objection, form.

16 A. I don't know what a falsified signature is.

17 Q. (By Mr. Freeman) Okay. Do you believe someone
18 has faked your signature here?

19 MR. PERRIN: Objection, form.

20 A. I don't know. That doesn't appear to be my
21 signature.

22 Q. (By Mr. Freeman) Why does it not appear to be
23 your signature?

24 A. Because it doesn't look like my signature.

25 Q. What about it does not look like your

Page 60

1 signature?

2 A. The letters.

3 Q. Okay. What letters?

4 A. The letters on the line.

5 Q. Okay. All of them? Like, nothing about this
6 looks like your signature?

7 A. It's not my signature.

8 Q. Okay. Do you have any idea who might have put
9 your signature on this document?

10 A. I don't know for a fact who signed this
11 signature.

12 Q. Do you have any reason to believe it was anyone
13 in particular?

14 A. If I would guess, it would either be Tony or
15 Matt, in which I gave them permission to sign my
16 signature.

17 Q. Okay. So you think you may have given
18 permission to sign it?

19 A. That is a likely scenario.

20 Q. Okay. Was that a -- was that something you --
21 you did frequently?

22 A. No, not frequently, but infrequently.

23 Q. Okay. Would that be an unusual thing to occur?

24 MR. PERRIN: Objection, form.

25 A. I don't know if it would be unusual. Under

Page 61

1 certain circumstances, I've allowed Tony and/or Matt to
2 sign my signature when I was not available to sign
3 myself.

4 Q. (By Mr. Freeman) Okay. How do you generally
5 do that? Do you do that by an oral conversation or by
6 email?

7 A. Well, normally I'm not in the same location.
8 So, it would be over a telephone.

9 Q. Okay.

10 A. And I feel comfortable doing that because Tony
11 is an attorney.

12 Q. Okay. Okay. So -- and what is the title
13 beside your name here?

14 A. President.

15 Q. Okay. So, David J. Hook, president of ACET,
16 Global, LLC; correct? That's what's reflected here?

17 A. Yes, it is.

18 Q. Okay. Did Tony Ludlow sign this document?

19 MR. PERRIN: Objection, form.

20 A. I don't know. I don't recall.

21 Q. (By Mr. Freeman) Okay. Just going down
22 further to the eleventh page of this exhibit, this
23 Exhibit 48 --

24 A. One second, please. Just one second.

25 Q. Yes, sir.

Page 62

1 A. Okay. I have it.

2 Q. Okay. Is that also your signature, sir?

3 A. No.

4 Q. Okay. Does that look like someone may have
5 signed it for you?

6 A. Yes.

7 Q. Okay. And does that signature appear under the
8 -- under the name Baymark ACET Holdco, LLC?

9 A. Yes.

10 Q. Okay. And -- and what's the title reflected
11 beside your name?

12 A. President.

13 Q. Okay. Does this -- does this appear to state
14 that you were president of Baymark ACET Holdco, LLC?

15 A. It appears that way, yes.

16 Q. Okay. Do you see what's on your screen now as
17 Exhibit 51, sir?

18 A. Just a minute, please. Okay.

19 Q. Does this appear to be an email exchange
20 between you and Matthew Denegre?

21 A. Yes, it is.

22 Q. And also includes Tony Ludlow?

23 A. Oh, yes, as copied. Yes, I'm sorry. Yes.

24 Q. Is this dated April 11th, 2018?

25 A. Yes.

Page 63

1 Q. Okay. And is the subject matter of the email
2 ACET forbearance?

3 A. Yes.

4 Q. Okay. And does this -- does this email below
5 request -- is this a request from Matt Denegre stating,
6 "Do you mind if Tony signs this one-time amendment for
7 you? It requires your signature."

8 A. Yes.

9 Q. And is that kind of what you're referring to
10 earlier as -- as an instance where someone may have been
11 given authority to sign on your behalf?

12 A. Yes.

13 Q. Okay. Were you, in fact, familiar with the --
14 the ACET Global forbearance by Super G?

15 A. I'm sorry. Will you ask that again, please?

16 Q. Yes, sir. Were you, in fact, familiar with the
17 ACET Global forbearance by Super G Capital?

18 A. No.

19 Q. Okay. Did you have any involvement in it,
20 other than what's reflected here on this email?

21 A. I don't believe so.

22 Q. And, so, you would not know anything more about
23 it?

24 A. I don't believe so.

25 Q. Okay. Put on the screen what's marked as

Page 64

1 Exhibit 48, sir. Do you see that?

2 MR. PERRIN: I think it's marked 47.

3 A. 47?

4 Q. (By Mr. Freeman) 47. Excuse me.

5 A. That's okay.

6 Q. Do you see that, sir?

7 A. Yes.

8 Q. Okay. And do you know what this is?

9 A. No.

10 Q. Okay. Does it state down below the -- the
11 document that's attached -- that it is a waiver of
12 conflicts and consent to representation?

13 A. Wait a second. I'm trying to read and trying
14 to hear your question. I can't --

15 MR. PERRIN: Go ahead and take a look at it
16 first.

17 A. Wait. Let me look at it, please. Okay.

18 Q. (By Mr. Freeman) Okay. Have you ever seen
19 this document before?

20 A. I don't recall ever seeing it, no.

21 Q. Okay. Does it reflect that it's addressed to
22 your attention?

23 A. Yes.

24 Q. Does it reflect that it is addressed to your
25 attention as president of ACET Global, LLC?

Page 65

1 A. Yes.

2 Q. And do you have any idea why this may have been
3 addressed to you as the president of ACET Global, LLC?

4 A. No.

5 Q. Okay. And if you'll look down on the bottom,
6 the third page, there's a signature block.

7 A. Yes.

8 Q. For ACET Global, LLC. Do you see that?

9 A. Yes.

10 Q. And is that your name that appears?

11 A. Yes, that's my name and my signature.

12 Q. Okay. And does that state "president" on the
13 title?

14 A. Yes.

15 Q. And the date, is it 10-31-18?

16 A. Yes.

17 Q. And is that reflecting that you're the
18 president of ACET Global, LLC?

19 A. Yes.

20 Q. Okay. And this letter, is this a letter from
21 ACET Global's legal counsel?

22 A. I -- I don't know that.

23 Q. Had you ever engaged Dorsey & Whitney, LLP to
24 represent --

25 A. No.

Page 66

1 Q. No?

2 A. I haven't, no.

3 Q. No?

4 Do you know if anyone ever did?

5 A. No.

6 Q. Okay. Did you engage the firm to represent
7 ACET Global in connection with Super G's foreclosure of
8 ACET's assets?

9 A. I don't remember that.

10 Q. No?

11 Do you recognize this statement that states
12 "the firm currently represents ACET in various
13 intellectual property matters"?

14 A. I see that.

15 Q. Okay. And do you know what that is referring
16 to?

17 A. No.

18 Q. Okay. Do you know what this letter is in
19 reference to?

20 A. My recollection is this is the first time I've
21 seen this letter.

22 Q. Okay. So you don't believe this letter was
23 actually provided to you?

24 A. Well, I wouldn't say that. I signed it, but I
25 don't recall it.

Page 67

1 Q. Okay. Do you recall authorizing Dorsey &
2 Whitney to represent Super G in the foreclosure of ACET
3 Global's assets?

4 A. No.

5 Q. Did you, in fact, assist Super G with
6 foreclosing upon ACET Global's assets?

7 A. No.

8 MR. PERRIN: Objection, form.

9 Q. (By Mr. Freeman) Why not?

10 MR. PERRIN: Objection, form.

11 A. I'm sorry. Repeat the question.

12 Q. (By Mr. Freeman) Why didn't you assist Super G
13 in the foreclosure of ACET Global's assets?

14 MR. PERRIN: Objection, form.

15 A. Because it was between Super G and ACET Global.

16 Q. (By Mr. Freeman) Do you think that would have
17 been wrong?

18 MR. PERRIN: Objection, form.

19 A. It depends on the circumstance.

20 Q. (By Mr. Freeman) Right. The circumstances
21 presented here?

22 MR. PERRIN: Objection, form.

23 A. I need a lot more information to answer that
24 question.

25 Q. (By Mr. Freeman) Okay. So, let's say you're

Page 68

1 the president of ACET Global. Okay?

2 A. Uh-huh.

3 Q. And let's assume that ACET Global owes -- owes
4 a note to Super G Capital. Let's assume that ACET
5 Global has more than \$3 million of assets. Okay? Let's
6 assume that Super G would like to foreclose upon all of
7 ACET Global's assets and move it to a company in which
8 Baymark Partners has a controlling membership interest.

9 Do you believe that it would then be wrong
10 for you to assist Super G Capital with the foreclosure
11 of ACET Global's assets?

12 MR. PERRIN: Objection, form.

13 A. Well, there are a lot more circumstances that
14 are relevant in making that decision than what you've
15 given me.

16 Q. (By Mr. Freeman) What are they?

17 A. Well, how about if the -- the cash in the bank
18 account was \$5 and our assets were \$100 and our
19 liabilities were \$3 million. So, at this point, it
20 would be reasonable to assume that we are trying to do
21 what's best for the company and save the company.

22 Q. What's best for the company or what's best for
23 David Hook?

24 A. Not what's best for David Hook. At this point,
25 I would have preferred the company close down and go

1 away.

2 Q. Okay.

3 A. Because the performance of the company was so
4 bad that I knew we -- this was not a good acquisition
5 and that I had -- in 19-18, (sic) I did not think that
6 -- that we -- this company was going to make it or
7 survive. So, in David Hook's best interests, this
8 company would have closed up and gone away.

9 Q. Okay. Did David Hook have any interest in
10 transferring this company's assets to Windspeed Trading,
11 LLC?

12 A. Did I have any interest in it?

13 Q. Yes, sir.

14 MR. PERRIN: Objection, form.

15 A. Like I said, I would have -- I would have -- I
16 would have preferred the company --

17 Q. (By Mr. Freeman) Just shut down and not pay
18 any creditors?

19 MR. PERRIN: Objection, form.

20 Q. (By Mr. Freeman) Like you said in your email?

21 MR. PERRIN: Objection, form.

22 A. No. I -- I have also said that I want to pay
23 creditors and want to pay debt holders. And every
24 company --

25 Q. (By Mr. Freeman) Did you say that --

Page 70

1 MR. PERRIN: Wait a minute. Let him finish
2 his answer.

3 A. In any company we've ever acquired, I wanted to
4 pay all debts, all payables, all shareholders, all
5 creditors.

6 Q. (By Mr. Freeman) Okay.

7 MR. FREEMAN: Objection, nonresponsive.

8 Q. (By Mr. Freeman) So, what had Dorsey and
9 Whitney represented ACET Global with respect to?

10 A. I don't recall.

11 Q. Okay. And you don't know if you, as the
12 president of ACET Global, had hired Dorsey and Whitney
13 in any capacity?

14 A. I don't recall that, no.

15 Q. Okay. Have you ever worked with Dorsey and
16 Whitney?

17 A. I don't believe so.

18 Q. Okay. Do you know if anyone at ACET Global had
19 a relationship with Dorsey and Whitney?

20 A. No, I do not.

21 Q. Okay. Who is Steven Bellah?

22 A. He was our contact at Super G.

23 Q. Okay. Do you know Steven Bellah outside of
24 that capacity?

25 A. No. In fact, I totally forgot his name until

1 you just mentioned it.

2 Q. When is the last time you spoke with Steven
3 Bellah?

4 A. I -- I don't know. Likely years.

5 Q. Likely years?

6 A. Yes.

7 Q. Okay. When is the last time you emailed him?

8 A. I have no idea.

9 Q. Okay. Did Steven Bellah hold any positions at
10 Super G Capital?

11 A. What kind of positions?

12 Q. Did he have any employment or role at Super G
13 Capital?

14 A. I assume so. He was our contact there.

15 Q. Okay. Did he have any employment or -- or role
16 with Windspeed Trading, LLC?

17 A. I don't know.

18 Q. Okay. What about ACET Global, LLC?

19 A. Did he have a role?

20 Q. Yes, sir.

21 A. At -- at the company?

22 Q. Yes.

23 A. No.

24 Q. Okay. Any of the Baymark-affiliated entities?

25 A. No.

Page 72

1 Q. Okay. Did Mr. Bellah ever report to you about
2 ACET Global?

3 MR. PERRIN: Objection, form.

4 A. What do you mean by "report"?

5 Q. (By Mr. Freeman) Did he ever -- well, let's
6 just ask it this way: Did he ever discuss ACET Global
7 with you?

8 A. Yes.

9 Q. Okay. And when would those discussions have
10 taken place?

11 A. Very early on, after we acquired the company.

12 Q. Okay. So, is that, like, 2017?

13 A. I don't remember when we -- when we acquired
14 the company.

15 Q. Okay. What did you discuss with Steven Bellah?

16 A. I don't recall specifically.

17 Q. Okay. So you don't recall any discussions with
18 Mr. Bellah?

19 A. I recall that we had some, but I don't know
20 what the contents of those discussions were.

21 Q. Okay. Would they have dealt with the loan from
22 Super G to ACET Global?

23 A. I would assume they would.

24 Q. About ACET Global's performance?

25 A. Yes.

Page 73

1 Q. What about Windspeed Trading?

2 A. No.

3 Q. No?

4 Why are you so sure that it didn't include
5 that?

6 A. Because I wasn't involved with the company at
7 that time.

8 Q. What time?

9 A. That Windspeed was in existence.

10 Q. Okay. When was it in existence?

11 A. I have no idea.

12 Q. Okay. So how do you know that you weren't
13 involved with the company when it was in existence if --

14 A. Because I was -- I was only involved with ACET
15 Global for a short period of time.

16 Q. Okay. Did Windspeed possibly exist then?

17 A. No.

18 Q. How do you know that?

19 A. Because I wasn't in any of the conversations.

20 Q. What conversations?

21 A. That there even was a Windspeed.

22 Q. Okay. And, so, how do you know it didn't exist
23 then?

24 A. I was only involved with ACET Global, my
25 recollection is, for a few months after we acquired the

1 company.

2 Q. Okay. And how are you able to deduce from that
3 that Windspeed Trading did not exist?

4 A. Because I had never heard of it before.

5 Q. Okay. And when did you first hear of it?

6 A. After I stopped being involved.

7 Q. Okay. And when, after you stopped being
8 involved with ACET, did you hear about Windspeed
9 Trading?

10 A. I can't recall a day, a month or even a year.

11 Q. Okay. But -- but it's fair to say that if you
12 hadn't heard about it prior to that, it didn't exist?

13 MR. PERRIN: Objection, form.

14 A. Well, I -- I don't know -- if I didn't know it
15 existed, I don't know when it started.

16 Q. (By Mr. Freeman) Okay. Who would have -- who
17 would have told you about Windspeed Trading?

18 A. Tony or Matt.

19 Q. Tony or Matt? Why would it have been Tony or
20 Matt?

21 A. Because I work in the same firm that they do.

22 Q. Okay. And why would they have told you about
23 Windspeed Trading?

24 A. I -- I don't know.

25 Q. How is it relevant to any transaction you were

Page 75

1 involved in?

2 A. It wasn't relative to anything that I was
3 working on.

4 Q. Okay. Was it relevant to something they were
5 working on?

6 MR. PERRIN: Objection, form.

7 A. I -- I don't -- I don't know.

8 Q. (By Mr. Freeman) Okay. And why do you believe
9 they would have told you about Windspeed Trading, then?

10 MR. PERRIN: Objection, form.

11 A. Probably -- well, because -- will you repeat
12 the question, please?

13 Q. (By Mr. Freeman) Yeah. Why do you believe --
14 you stated you believe it was Tony Ludlow or Matt
15 Denegre who first told you about Windspeed Trading. Why
16 do you believe they would have told you about Windspeed
17 Trading?

18 A. In passing. It was new information for me.

19 Q. New information about what?

20 A. That there was a company called Windspeed
21 Trading.

22 Q. Okay. Were they interested in investing in it?

23 A. I have no idea.

24 Q. Did they -- were they looking at obtaining a
25 loan for it?

Page 76

1 A. I have no -- I don't know.

2 Q. Okay. Why do you think they would have even
3 mentioned Windspeed Trading to you?

4 MR. PERRIN: Objection, form.

5 A. I don't know. You'll have to ask them.

6 Q. (By Mr. Freeman) Were they involved in forming
7 Windspeed Trading?

8 A. I have no idea.

9 Q. Okay. But your testimony earlier was if
10 Windspeed -- Baymark Partners is not going to get
11 involved in a company unless it acquires a -- a
12 controlling ownership interest; correct?

13 MR. PERRIN: Objection, form.

14 A. Yes.

15 Q. (By Mr. Freeman) Okay. Did you ever have
16 discussions with Steven Bellah about Windspeed?

17 A. No.

18 Q. Did you ever have discussions with Steven
19 Bellah about Tomer Damti?

20 A. Likely, because of his poor performance.

21 Q. Steven Bellah's poor performance?

22 A. No, Tomer's.

23 Q. Oh, Tomer. What did -- what did Tomer do that
24 constituted poor performance?

25 A. When we bought the company, it was 400,000 of

Page 77

1 EBITDA. Within two months, it was 100,000 of EBITDA.

2 So, the value of the company, in less than two months,
3 went off 75 percent.

4 Q. Okay. And, so, let me just make sure I've got
5 it right. You -- the company, while it was controlled
6 by Tomer, had a -- a pretty significant EBITDA. And
7 then when you came into the picture, it no longer had a
8 -- had a good EBITDA?

9 MR. PERRIN: Objection, form.

10 A. No. That's not the way I'd characterize it at
11 all.

12 Q. (By Mr. Freeman) Okay. And you -- you had
13 testified earlier that Baymark Partners would not be
14 interested in a company with zero EBITDA; correct?

15 A. When we acquired it, that's true, yes.

16 Q. Right. And, so, if a company had zero EBITDA,
17 Baymark Partners would not get it. You know, there
18 wouldn't be a business reason for Baymark Partners to
19 get involved in that company; correct?

20 A. To acquire it.

21 Q. Okay.

22 A. If we're involved in the company and it goes
23 down to that, then obviously we -- we do everything we
24 can for the company to turn around and grow and expand.
25 But we are not -- we are not interested in acquiring a

Page 78

1 company with zero EBITDA.

2 Q. Okay. So, like, if there's a company that you
3 don't have an ownership in, you're not going to be
4 interested in getting involved with that company if it's
5 got a zero EBITDA; correct?

6 A. Correct.

7 Q. Okay. And that would not fit Baymark Partners'
8 financial model; correct?

9 A. That's true.

10 Q. Okay. Could there be any reason that you would
11 -- Baymark Partners would get involved with a company
12 that had zero EBITDA?

13 MR. PERRIN: Objection, form.

14 Q. (By Mr. Freeman) Or is it -- is that just
15 understood that that doesn't fit the model?

16 MR. PERRIN: Objection, form.

17 A. I -- would you repeat the question, please?

18 Q. (By Mr. Freeman) Sure. Is it -- is there any
19 possible reason that Baymark Partners would, you know,
20 want to take a stake in an entity with zero EBITDA, or
21 is that just so understood that it doesn't fit Baymark
22 Partners' model that --

23 A. Well, I would never say never. But I don't --
24 I don't know off the top of my head where there would be
25 a circumstance. But I would never say never.

Page 79

1 Q. Okay.

2 A. If someone gave me -- if somebody gave us an
3 interest for free, you know, why wouldn't you take that?

4 Q. What's an instance where someone has given you
5 an interest for free?

6 A. I don't know.

7 Q. Just a pure hypothetical. You've never been
8 involved in a transaction where you've received an
9 interest for free, have you?

10 A. No. But I would certainly look forward for
11 that happening one day.

12 Q. Did you have any discussions with Steven Bellah
13 about moving assets from ACET Global to Windspeed?

14 A. No.

15 Q. Okay. Was there any relationship between the
16 formation of Windspeed Trading, LLC and ACET Global,
17 LLC?

18 MR. PERRIN: Objection, form.

19 A. Not -- not that I'm aware of.

20 Q. (By Mr. Freeman) Okay. Was ACET Global
21 insolvent, or could it have kept going?

22 A. I don't know.

23 Q. Okay. You don't remember, or you never knew?

24 A. I never knew.

25 Q. Did you ever believe that restructuring ACET

Page 80

1 Global's business would help give Baymark an opportunity
2 to turn its investment around?

3 A. Repeat the question again, please.

4 Q. Sure.

5 Did you -- did you ever believe that
6 restructuring ACET Global's business would give Baymark
7 Partners an opportunity to turn its investment around?

8 A. No, from -- no, I did not think the company was
9 going to turn around.

10 Q. Okay. Did you ever discuss restructuring ACET
11 Global's business operations?

12 A. No.

13 Q. Okay. Did you ever discuss how restructuring
14 its operations might impact creditors?

15 A. No.

16 Q. Did Windspeed Trading maintain the financial
17 records of ACET Global?

18 A. I -- I don't know.

19 Q. But you were the president of ACET Global;
20 correct?

21 A. Yes, I was.

22 Q. Okay. And you don't know if Windspeed Trading
23 ever maintained the financial records of ACET Global?

24 A. No.

25 Q. That's a no, they didn't? Or no, you don't

Page 81

1 know?

2 A. No, I don't know.

3 Q. Okay. And you don't know whether there were
4 separate books and records for ACET Global and Windspeed
5 Trading?

6 A. No.

7 Q. Did you ever provide instructions to Windspeed
8 Trading regarding ACET Global's financial records?

9 A. No.

10 Q. How, exactly, did Windspeed Trading's business
11 model differ from ACET Global's?

12 A. I don't even know what Windspeed's business
13 model is.

14 Q. Okay. You don't -- you don't know anything
15 about what Windspeed Trading did or does?

16 A. No.

17 Q. Okay. Did you ever refer to Windspeed
18 Trading's loan as the ACET note?

19 A. Not that I recall.

20 Q. Okay. Do you know when Windspeed Trading began
21 selling inventory?

22 A. No.

23 Q. Do you know where Windspeed Trading obtained
24 its inventory from?

25 A. No.

Page 82

1 Q. Do you know whether the inventory that
2 Windspeed Trading sold was, in fact, ACET Global's
3 inventory?

4 A. No.

5 Q. Okay. Do you ever ask -- have you ever asked
6 Matthew Denegre to have one of Baymark -- Baymark
7 Partners' companies keep two sets of books?

8 A. No.

9 Q. No?

10 A. No.

11 Q. Is -- was Matthew Denegre ever authorized to
12 request one of Baymark Partners' companies to keep two
13 sets of books?

14 A. I don't know.

15 Q. Okay. If you'll look to what's on the screen
16 now as Exhibit 2.

17 A. Wait. Sorry -- we got disconnected.

18 Q. That's okay.

19 MR. PERRIN: No. 2.

20 A. Okay.

21 Q. (By Mr. Freeman) Okay. Does this document,
22 does it appear to reflect an email from Matt Denegre to
23 -- to William Szeto in October of 2018?

24 A. I see October 19.

25 Q. Okay. October 19th?

Page 83

1 A. Bill Szeto -- from Bill Szeto to Matt Denegre
2 on Friday, October 19.

3 Q. Of 2018?

4 A. Yes.

5 Q. Okay. And, now, you were president of ACET
6 Global at that time; correct?

7 A. I -- I don't know.

8 Q. No?

9 What -- you -- we had seen that you had
10 executed a document around that time in your capacity as
11 president of ACET Global; is that correct?

12 A. Okay. If -- if that is true, then yes, it is
13 correct.

14 Q. Okay. What was Matthew Denegre's role at ACET
15 Global while you were the president of ACET Global?

16 A. He didn't work for ACET Global. He works for
17 Baymark Partners.

18 Q. Okay. So he worked for Baymark Partners. Was
19 he authorized -- was Baymark Partners authorized to
20 engage any -- in any actions with respect to ACET Global
21 while you were the president of ACET Global?

22 MR. PERRIN: Objection, form.

23 A. Well, we owned the company.

24 Q. (By Mr. Freeman) Okay. Baymark Partners owned
25 --

Page 84

1 A. So, that means -- Yeah. So, we owned the
2 company.

3 Q. Okay. So, Baymark Partners owned ACET Global?

4 A. Part of it.

5 Q. What do you mean "part of it"?

6 A. Majority.

7 Q. Okay. Baymark Partners owned the majority of
8 ACET Global?

9 A. Yeah. One of those entities.

10 Q. Okay. And this email from Matt Denegre tells
11 Mr. Szeto that Jane will need to set up a new QuickBooks
12 file for Windspeed and maintain the old QuickBooks file
13 for ACET. "It will need to be separate books for
14 obvious reasons."

15 Do you know what he is referring to here?

16 A. I don't, no.

17 Q. And did you ever, as -- as the president of
18 ACET Global at this time, did you ever have any
19 discussions with Mr. Denegre about the reasons for
20 maintaining separate sets of books from Windspeed?

21 A. No.

22 Q. And what -- what is the reason that there would
23 even need to be a conversation about separate books
24 between ACET Global and Windspeed during this time when
25 you're the president of ACET Global?

Page 85

1 MR. PERRIN: Objection, form.

2 A. I don't know.

3 Q. (By Mr. Freeman) Has Mr. Denegre ever stolen
4 money from you?

5 A. No.

6 Q. Has he ever stolen money from Baymark Partners?

7 A. No.

8 Q. Has he ever stolen money from any company that
9 is owned by Baymark Partners?

10 A. No.

11 Q. What do you think he's doing here?

12 MR. PERRIN: Objection, form.

13 A. I don't know.

14 Q. (By Mr. Freeman) Okay.

15 A. You'll have to ask him.

16 Q. Okay. Do you think this is something that
17 Mr. Denegre would likely remember?

18 MR. PERRIN: Objection, form.

19 A. I don't know.

20 Q. (By Mr. Freeman) Okay. As the president of
21 ACET Global, wouldn't you have been interested to know
22 what was -- what was going on here in this email?

23 MR. PERRIN: Objection, form.

24 A. If -- if the -- if I was still working on the
25 company and the company was my responsibility, I would

Page 86

1 have. But this -- this point, very likely that I had
2 passed it to Tony and Matt.

3 Q. (By Mr. Freeman) Okay. And, so, at this
4 point, even though you're still the president of ACET
5 Global, you had passed all responsibilities on to Tony
6 Ludlow and Matt Denegre?

7 MR. PERRIN: Objection, form.

8 A. Very likely, yes.

9 Q. (By Mr. Freeman) Okay. So, at this point,
10 even though you're still president of ACET Global, were
11 you taking any steps to attempt to protect the interests
12 of any creditors of ACET Global?

13 MR. PERRIN: Objection, form.

14 A. Like I said many times, I wasn't involved in
15 the decisions for the company.

16 Q. (By Mr. Freeman) Okay. So, as president of
17 ACET Global, you weren't involved in any decisions with
18 respect to the company?

19 A. Yes.

20 MR. PERRIN: Objection, form.

21 A. And you keep talking about president. I'm
22 president of probably four employees.

23 Q. (By Mr. Freeman) Okay. So, as president of --
24 of a company with several employees, were you not
25 involved in any decision making?

Page 87

1 MR. PERRIN: Objection, form.

2 A. No.

3 Q. (By Mr. Freeman) Okay. Is -- to your mind, is
4 it completely -- is a company completely insignificant
5 if it has, like, four employees?

6 A. No. It's -- it's -- all the companies we have
7 are significant.

8 Q. Right. And what is it about four employees
9 that makes a company unimportant?

10 MR. PERRIN: Objection, form.

11 A. I never said it wasn't important. I just said
12 it was important.

13 Q. (By Mr. Freeman) What did you mean by it had,
14 like, four employees?

15 A. I just want it to be on the record, the scope
16 of the size of the business.

17 Q. Okay. So, even though you were president of
18 that business, it -- it wasn't much of a priority to you
19 because it had four employees?

20 MR. PERRIN: Objection, form.

21 A. Again, it was the responsibility of our firm,
22 for Tony and Matt.

23 Q. (By Mr. Freeman) Okay.

24 A. We don't think it's worth taking the legal fees
25 and the costs associated with changing the word

Page 88

1 "president," particularly when a company was not doing
2 very well at this particular time.

3 Q. It wasn't doing well under your leadership as
4 president?

5 MR. PERRIN: Objection, form.

6 A. It was not doing well of the person who was
7 running the business, and that was Tomer.

8 Q. (By Mr. Freeman) But, now, Tomer had been
9 fired by you long before this document; correct?

10 A. I don't know when he was fired.

11 Q. I'll represent to you it was in February of
12 2018.

13 But at this point in time, you're the --
14 you're the president, but you're not -- your testimony
15 is you weren't doing anything, weren't making any
16 decisions; yet you're having trouble figuring out how
17 the company started performing poorly; is that correct?

18 MR. PERRIN: Objection, form.

19 A. No. The company started performing right when
20 we acquired the business.

21 Q. (By Mr. Freeman) Okay. So it was performing
22 very well until Baymark Partners got involved; correct?

23 MR. PERRIN: Object to form.

24 A. No. That's not correct.

25 Q. (By Mr. Freeman) Okay. Do you know when

Page 89

1 Windspeed received funding?

2 A. No.

3 Q. Do you know where Windspeed received its
4 funding from?

5 A. No.

6 Q. Do you know whether Windspeed had a loan from
7 Super G Capital?

8 A. Repeat the question.

9 Q. Do you know whether Windspeed Trading had a
10 loan from Super G Capital?

11 A. No.

12 Q. Do you know how Windspeed is structured?

13 A. No.

14 Q. You don't have any position at Windspeed?

15 A. No.

16 Q. Do you know whether Baymark does?

17 MR. PERRIN: Objection, form.

18 A. I am not sure.

19 Q. (By Mr. Freeman) Okay.

20 A. Not sure.

21 Q. Okay. Have you ever seen the company agreement
22 for Windspeed Trading, LLC?

23 A. No.

24 MR. FREEMAN: Okay. I'm going to take a
25 short break and go off the record. I'm going to

Page 90

1 circulate -- everyone's already got a copy of it -- but
2 circulate the company agreement of Windspeed Trading and
3 we'll add it as an exhibit to this deposition in just a
4 second.

5 (Break taken from 3:12 to 3:18.)

6 Q. (By Mr. Freeman) Mr. Hook, I'm showing you
7 what -- what's being marked as Exhibit 54 for this
8 deposition.

9 A. Okay.

10 Q. It's the -- it's the amended and restated
11 company agreement of Windspeed Trading, LLC.

12 A. Okay.

13 Q. And it's dated October 18th, 2018.

14 A. Okay. Yeah.

15 Q. Are you familiar with this document?

16 A. No.

17 Q. Do you -- do you know whether Baymark Partners
18 or any of its affiliates have any interest in Windspeed
19 Trading, LLC?

20 MR. PERRIN: Objection, form.

21 A. I don't know for sure if we have anything or
22 not.

23 Q. (By Mr. Freeman) Okay. And if you'll --
24 you'll turn with me to the eleventh page of that
25 document.

Page 91

1 A. Okay.

2 Q. And specifically paragraph 3.1, which refers to
3 duties of board of managers. Do you see that?

4 MR. PERRIN: Wait a minute. That's not
5 Page 11.

6 MR. FREEMAN: Well --

7 THE WITNESS: Seven.

8 MR. FREEMAN: The eleventh page of the PDF.

9 MR. PERRIN: Oh, I don't have the PDF. So
10 I'm going to go --

11 MR. FREEMAN: Yeah. Page 7 of the
12 document.

13 A. Okay.

14 Q. (By Mr. Freeman) Does that refer to the duties
15 of the board of managers?

16 A. I see that here, uh-huh.

17 Q. And it states that the business and affairs of
18 the company shall be managed by the board of managers?

19 A. Yes.

20 Q. And that the board of managers shall be solely
21 responsible for the operation and management of the
22 business of the company?

23 A. Yes.

24 Q. Okay. And below that, in 3.2, does it state
25 that there is no control by members?

1 A. Yes.

2 Q. Okay. And below that does it refer to -- does
3 it state that there shall be three managers on the board
4 of managers of the company?

5 A. Yes.

6 Q. Okay. Below that, under the paragraph
7 appointment, does it state that Baymark shall be
8 entitled to appoint one manager of the board of
9 managers, referred to as the Baymark manager, so long as
10 Baymark is a warrant holder or member of the company?

11 A. Yes.

12 Q. Okay. Is this a typical arrangement for
13 Baymark Partners?

14 A. To be a manager?

15 Q. To be -- yes. Yeah.

16 A. Yes.

17 Q. It is typical?

18 A. Yes.

19 Q. And is a relationship as a warrant holder to a
20 company typical for Baymark Partners?

21 A. No.

22 Q. Can you think of another instance where Baymark
23 has -- Baymark Partners has obtained a warrant interest
24 in a company?

25 A. I don't believe so.

Page 93

1 Q. Okay. Are you aware of any other instance
2 where a Baymark Partners' affiliated entity obtained a
3 warrant in any other company?

4 A. No.

5 Q. So, as far as you can recall, this may be the
6 only instance where Baymark Partners or its affiliate
7 has obtained a warrant in a company?

8 A. I believe that's true, yes.

9 Q. Okay. And if you'll look below, at 3.4B, sir,
10 it refers to Super G shall be entitled to appoint one
11 manager to the board of managers, known as the Super G
12 manager, so long as Super G is a warrant holder or
13 member of the company.

14 Do you see that?

15 A. Yes.

16 Q. Okay. And do you know -- do you understand who
17 it refers to when it refers to Super G?

18 A. Well, the lending firm, uh-huh.

19 Q. Okay. Super G Capital, LLC; is that correct?

20 A. I don't know what their entity is.

21 Q. Okay. Well, is there any other Super G that
22 you're aware of?

23 A. No.

24 Q. Okay. If you will look to the fifth page of
25 the document, and there's a definition for Super G.

Page 94

1 Does it state that that means Super G Capital, LLC?

2 A. Super G Capital, LLC, yes.

3 Q. Okay. And that's the lender you referred to;
4 correct?

5 A. Yes.

6 Q. Okay. Has -- to the best of your knowledge,
7 has Baymark Partners or another Baymark-affiliated
8 entity ever sat on the board of managers of a company
9 along with a lender?

10 A. Yes, that does happen.

11 Q. Is that a frequent occurrence?

12 A. I -- I don't -- I don't know. I don't know.

13 Q. I mean, how many instances can you think of?

14 A. Well, our industry does hundreds, if not
15 thousands, of acquisitions a year using lenders. So, I
16 have no idea what the -- the percentage of the lenders
17 being on the board.

18 Q. Can -- can you name some examples for me where
19 Baymark Partners or Baymark Partners-affiliated entity
20 has served on a board of directors or board of managers,
21 along with a lender?

22 A. I believe that there are companies in our
23 portfolio that the lenders are on the board, but I don't
24 recall the names of the companies at this time.

25 Q. Okay. But you're -- you're sure of it?

Page 95

1 A. I'm pretty sure.

2 Q. Okay. And that it's not an uncommon thing?

3 A. It's not an uncommon thing, that's right.

4 Q. Okay. How many of those companies does Baymark
5 Partners or the Baymark Partners affiliate also own
6 warrant rights in?

7 A. I'm sorry. Repeat the question, please.

8 Q. How many -- of those companies in which Baymark
9 Partners or its affiliate controls a board seat -- board
10 of managers, board of directors -- on the same board in
11 which a -- a lender controls a board seat, how many of
12 those companies does Baymark Partners or its affiliate
13 own warrant rights in?

14 MR. PERRIN: Objection, form.

15 A. As I said, I don't believe we have a company
16 that we own warrants.

17 Q. (By Mr. Freeman) You don't believe you have a
18 company that you own warrants in?

19 A. That -- yes, that's true.

20 Q. Other than Windspeed Trading?

21 A. If you say we do, yes.

22 Q. Okay. So, would you say it's an unusual
23 transaction here for a Baymark entity to sit on the
24 board of Windspeed Trading and to hold warrant rights in
25 Windspeed Trading?

Page 96

1 MR. PERRIN: Objection, form.

2 A. Again, repeat the question. Are you talking
3 specifically about Wind -- Windspeed or other companies?

4 Q. (By Mr. Freeman) Windspeed.

5 I'm asking do you believe that it is an
6 unusual transaction for Baymark, or one of its
7 affiliates, to have both a member -- both a role as a
8 manager on the board of managers and to have warrant
9 rights in the company?

10 A. Yes, that is unusual.

11 Q. Okay. What possible reason can you think of
12 for that arrangement?

13 MR. PERRIN: Objection, form.

14 A. That someone would like to have our expertise
15 involved in the company.

16 Q. (By Mr. Freeman) Okay. Is that -- has that
17 ever been requested of Baymark Partners, to your
18 knowledge?

19 A. Not to give us warrants.

20 Q. Okay. Has Baymark --

21 A. Every -- every one of our companies wants our
22 expertise. That's one of the reasons why they sell to
23 us.

24 Q. And has Baymark Partners ever requested
25 warrants in a company?

Page 97

1 A. Not that I'm aware of.

2 Q. Has a lender ever requested that Baymark
3 Partners take warrants in a company?

4 A. Not that I'm aware of.

5 Q. Okay. Under paragraph 3.5, it states name of
6 manager and it states Anthony Ludlow beside that,
7 Baymark manager; is that correct?

8 A. Yes.

9 Q. And do you recognize each of the other two
10 managers, Steven Bellah and William Szeto?

11 A. Yes.

12 Q. Okay. Is -- would Mr. Ludlow typically discuss
13 a transaction like this with you?

14 A. No.

15 Q. No?

16 Mr. Ludlow is authorized to engage in this
17 kind of transaction without your -- without your
18 knowledge?

19 A. Yes. I trust him implicitly.

20 Q. Okay. So he would have -- Mr. Ludlow never
21 told you about Baymark Partners' interest in Windspeed
22 Trading, then?

23 MR. PERRIN: Objection, form.

24 A. Not specifically, no.

25 Q. (By Mr. Freeman) Okay. Let's look down --

Page 98

1 look down to the signature page of this document.

2 MR. PERRIN: Page number, please?

3 MR. FREEMAN: Well, I think it's going to
4 be the 30th or 31st page on your -- your document.

5 A. Okay. I think I have the one.

6 Q. (By Mr. Freeman) Okay. And do you see where
7 there's a signature block there under warrant holders?

8 A. Yes.

9 Q. Okay. And does that state Baymark Partners
10 Management, LLC?

11 A. Yes.

12 Q. Okay. And does that name there state Anthony
13 Ludlow, manager?

14 A. Yes.

15 Q. Okay. Was Mr. Ludlow the manager of Baymark
16 Partners Management, LLC?

17 A. Yes.

18 Q. Okay. And do you have any interest in Baymark
19 Partners Management, LLC?

20 A. I don't know.

21 Q. Okay. Does that appear to be Mr. Ludlow's
22 signature?

23 A. I -- I think so.

24 Q. Okay. Any reason to believe it's not?

25 A. No.

Page 99

1 Q. Okay. So, that's Mr. Ludlow signing as the
2 manager of Baymark Partners Management, LLC?

3 A. Apparently so.

4 Q. On the amended and restated company agreement
5 of Windspeed Trading, LLC?

6 A. Yes.

7 Q. Okay. But you know nothing about this company?

8 MR. PERRIN: Objection, form.

9 A. Well, I don't know how to answer that question.
10 Define "nothing."

11 Q. (By Mr. Freeman) What's the meaning of is?

12 What -- what do you know? What's the limit
13 of your knowledge about Windspeed Trading, LLC?

14 A. Not very much.

15 Q. Is it just what I've shown you today?

16 A. Basically.

17 Q. Okay. I would like to show you what's marked
18 as Exhibit 3. Do you see that document?

19 A. No, not yet.

20 Q. Okay.

21 A. Okay. Got it.

22 Q. Okay. Does this appear to be an email exchange
23 between Matt Denegre and William Szeto?

24 A. Yes, the first one, uh-huh.

25 Q. Okay. And the subject line states "merged

Page 100

1 weekly report," open parentheses, Windspeed?

2 A. Uh-huh.

3 Q. Is that correct?

4 A. Uh-huh.

5 Q. Do you have any idea what this is about?

6 A. No idea.

7 Q. Okay. And any idea why Baymark Partners might
8 be emailing about Windspeed in January of 2019?

9 A. No.

10 Q. Okay. Did -- did you ever have discussion
11 about whether Windspeed Trading had a real board?

12 A. No.

13 Q. Okay. I'd like to show you what's marked as
14 Exhibit 24 -- excuse me -- Exhibit 4.

15 A. Okay. I have Exhibit 4.

16 Q. Okay. Does this appear to be still more email
17 correspondence between Mr. Szeto and Mr. Denegre?

18 A. Yes.

19 Q. Okay. And if you -- you look through this,
20 this is Mr. Szeto at his WindspeedTrading.com email
21 address; is that correct?

22 A. Yes.

23 Q. Okay. Do you have any idea what he -- they are
24 corresponding about?

25 A. No.

Page 101

1 Q. Okay. If you'll look there towards the bottom
2 of the first page, there's an email from Mr. Szeto to
3 Mr. Denegre on January 24, 2019. Do you see that?

4 A. Wait. I'm sorry. I'm sorry. Say that again.

5 Q. There's an email at the bottom of the first
6 page from Mr. Szeto to Mr. Denegre. It's dated January
7 24, 2019 at 8:09 a.m.

8 A. Okay. You have it yellow highlighted?

9 Q. Yes, sir.

10 A. Okay. I have that here.

11 Q. Okay. I'm going to read, starting at the
12 second sentence. It says, "I am going to insist either
13 one of you guys to pay for a tax filing for ACET so all
14 of these can be handled. Majority of the sales were
15 made when the company was still ACET and has very little
16 to do with Windspeed. A good portion of the money we
17 got as Windspeed was used to pay for debts accumulated
18 with ACET, and I simply do not have money to spend for
19 ACET anymore."

Do you see that?

21 A. Yes.

22 Q. Do you know what transaction they're referring
23 to?

24 A. No, I don't.

25 Q. Okay. And to the best of your knowledge, was

1 Mr. Denegre authorized to -- to engage in a transaction
2 with Windspeed?

3 MR. PERRIN: Objection, form.

4 A. Authorized by who?

5 Q. (By Mr. Freeman) Baymark Partners? Yourself?
6 Anyone at Baymark Partners?

7 MR. PERRIN: Same objection.

A. Well, I trust Matt implicitly. So, he is authorized to do what he thinks he should do.

10 Q. (By Mr. Freeman) Okay. So Baymark Partners
11 has authorized him to do -- to do what he's done here?

12 MR. PERRIN: Objection, form.

13 A. Yes.

14 Q. (By Mr. Freeman) Okay. And it's fair that
15 Matt Denegre's actions would be binding on Baymark
16 Partners?

17 MR. PERRIN: Objection, form.

18 A. I don't know how to answer that question.

19 Q. (By Mr. Freeman) Okay. What is it that you're
20 -- that's giving you trouble?

21 A. I don't know the legal aspect of that answer to
22 that question.

23 Q. I'm asking you kind of as a matter of fairness.
24 Is it fair that the actions taken by Mr. Denegre here,
25 that he was -- since he was authorized by Baymark

Page 103

1 Partners, is it fair that those actions be binding upon
2 Baymark Partners?

3 MR. PERRIN: Objection, form.

4 A. I'll answer the question like this: I trust
5 Matt. Whether he's authorized on every single action he
6 takes all day long, all year long, for the last five or
7 six years, from a legal perspective, I don't know the
8 answer to that question.

9 Q. (By Mr. Freeman) Okay. Do you think it's fair
10 that people who deal with him, that they should rest
11 assured that his actions are binding on Baymark
12 Partners?

13 MR. PERRIN: Objection, form.

14 A. In certain circumstances.

15 Q. (By Mr. Freeman) What certain circumstances?

16 A. I don't know. Give me an example, and I'll
17 tell you.

18 Q. A creditor is owed \$3.2 million from ACET
19 Global. Should it -- should actions taken by
20 Mr. Denegre -- on behalf of Baymark Partners -- that
21 harm that creditor's ability to receive payment for its
22 loan, should those be binding on Baymark Partners?

23 MR. PERRIN: Objection, form.

24 A. Mr. Freeman, at this point, we are trying to
25 save ACET Global. We are trying to do what we can, and

Page 104

1 Mr. Szeto is running the business to save ACET Global.

2 We are not trying to harm any creditors.

3 Q. (By Mr. Freeman) Okay. At what point?

4 A. At what point?

5 Q. Yes, sir.

6 A. Until -- at what point that we don't have any
7 control of the company.

8 Q. Okay. Why would you not have control of the
9 company?

10 A. For multiple reasons.

11 Q. Okay. What are those reasons?

12 A. A bank could foreclose on the -- on the debt
13 and they take it over.

14 Q. Okay. Any other possible --

15 A. Well, we got off the board. Those are two
16 reasons that, on the top of my head, I can think about.
17 As long as we don't have control anymore.

18 Q. Okay. And what would happen if you didn't have
19 control anymore? What would be appropriate, or what
20 would happen?

21 MR. PERRIN: Objection, form.

22 A. Like I said, we are in the business of
23 acquiring companies and helping management teams and
24 entrepreneurs grow their business. We have a very
25 strong responsibility to the employees and their

Page 105

1 families for companies to survive and to make it. We
2 have no interest in being involved in companies that go
3 down or get into trouble.

4 Q. (By Mr. Freeman) Okay. So, around the time of
5 this email that's reflected here on Exhibit 4 --

6 A. Uh-huh, yes.

7 Q. -- what -- what was -- what was -- you know,
8 what was Baymark Partners doing to try to help -- you
9 know, trying to help the creditors or the employees
10 of --

11 A. I have no idea.

12 Q. How do you know that it was?

13 A. Because I know the integrity of Tony and Matt
14 and our firm, that this is what we do.

15 Q. Okay. And this is the same Tony, correct, that
16 instructed Matthew Denegre to "shut the fuck up" during
17 his deposition?

18 MR. PERRIN: Object to the form of the
19 question and instruct the witness not to answer.

20 Q. (By Mr. Freeman) Okay. Is this the same Mr.
21 Ludlow who told a witness not to answer a question in
22 his deposition?

23 MR. PERRIN: Objection to the form.

24 A. I -- I don't know.

25 Q. (By Mr. Freeman) Okay. Mr. Ludlow's a

1 licensed attorney?

2 A. Yes, he is.

3 Q. He's a CPA?

4 A. Yes, he is.

5 Q. Okay. In good standing?

6 A. As far as I know.

7 Q. Okay. Have you ever heard him tell someone in
8 their deposition to -- to not answer a question?

9 A. No.

10 Q. Let me show you what's marked as Exhibit 5.

11 Mr. Hook, can you see from Exhibit 5 this
12 is a -- still another email from William Szeto at his
13 Windspeed Trading email address to Matthew Denegre. Do
14 you see that?

15 A. Yes, sir.

16 Q. Okay. And down below, you can see that Bill
17 tells Matt, "I do not want to mix the ACET results
18 together with the Windspeed results in a single report."

19 Do you know -- do you have any idea why he
20 would be making that statement?

21 A. I don't know, but it seems to me that they are
22 two separate companies.

23 Q. Right. So he wants to keep them separate?

24 A. That's what it appears to me.

25 Q. And as the president of ACET, I assume you

Page 107

1 would have wanted to make sure and keep their data
2 separate from Windspeed's as well?

3 A. Again, I didn't know there was a Windspeed.

4 Q. Okay. But as the president of ACET Global, you
5 would have wanted to keep its data separate from
6 other --

7 A. Separate -- separate from any other company,
8 yes.

9 Q. And to keep its assets separate from any other
10 company?

11 MR. PERRIN: Objection, form.

12 Q. (By Mr. Freeman) Correct?

13 A. Yes.

14 Q. And you would want to ensure that no other
15 company took over control of those assets; correct?

16 MR. PERRIN: Objection, form.

17 A. It depends on circumstances.

18 Q. (By Mr. Freeman) What circumstances?

19 A. I don't know because I've never been in this
20 situation before.

21 Q. Why would you want to give away your -- your
22 company's assets to another company?

23 MR. PERRIN: Objection, form.

24 A. Because we -- because in a lot of companies
25 assets don't mean anything.

Page 108

1 Q. (By Mr. Freeman) What does that mean?

2 A. Well, a consulting firm has people; and they
3 have desks and computers. The important part of a
4 consulting firm is the people. The desks and the
5 computers are not important. A consulting firm is not
6 valued off of assets. We don't value companies off of
7 assets. I don't care what the assets are. I care about
8 the cash flow and the EBITDA.

9 Q. Okay.

10 A. We don't care about the assets.

11 Q. What about the intangibles?

12 A. Give me an example.

13 Q. I don't know. On your example, we've got
14 consultants who have computers and desks; but their
15 ability to provide service and help to customers or
16 clients and to generate cash flow, does that come from
17 their intangibles?

18 A. It -- it comes from the individuals of the
19 firm.

20 Q. Right. And their intellectual ability?

21 A. Yes.

22 Q. Their intellectual capacity, their ability to
23 analyze, dissect, provide valuable information back?

24 A. Yes.

25 Q. Okay. And, so, in valuing a business, you

Page 109

1 would place a value on that intangible; right?

2 MR. PERRIN: Objection, form.

3 A. Actually, we pretty much solely value
4 businesses on EBITDA.

5 Q. (By Mr. Freeman) Okay.

6 A. We have a multiple of EBITDA.

7 Q. Okay. So, during this time here reflected in
8 Exhibit 5, while you're the president of ACET Global and
9 Matthew Denegre is corresponding with Mr. Szeto, and
10 Mr. Szeto is telling him I do not want to mix the ACET
11 results together with the Windspeed results, did you
12 know this was going on?

13 MR. PERRIN: Objection, form.

14 A. No.

15 Q. (By Mr. Freeman) No?

16 And you would indicate, though, as
17 president of ACET Global, you would have wanted to keep
18 that -- that data separate; correct?

19 A. Yes.

20 Q. Okay. Why would Matthew Denegre tell him he
21 would go ahead and still -- still include it?

22 MR. PERRIN: Objection, form.

23 A. I don't know. I read the email that Bill Szeto
24 is writing that to Matt, not Matt to Bill Szeto.

25 Q. (By Mr. Freeman) Okay. And if you'll look

Page 110

1 right above that, you will see an email from Matt
2 Denegre back to Mr. Szeto that says, "I would still
3 include it."

4 A. I do see that, yeah. I don't know why he would
5 answer that way.

6 Q. Okay. Let me show you what's marked as Exhibit
7 6, sir.

8 MR. PERRIN: Can we take a short break?

9 MR. FREEMAN: What's that?

10 MR. PERRIN: Can we have a short break real
11 quick?

12 MR. FREEMAN: Yeah. Can we cover this
13 exhibit real quick?

14 MR. PERRIN: Yeah, go ahead.

15 MR. FREEMAN: And then we -- then I'll
16 agree with you.

17 A. I'm sorry -- what? Oh, Exhibit 6.

18 Q. (By Mr. Freeman) Exhibit 6.

19 Mr. Hook, this is a -- an email from Matt
20 Denegre to Tomer Damti on March 20, 2019, with the
21 subject line "ACET K-1"?

22 A. Uh-huh.

23 Q. Have you ever seen this document before?

24 A. No.

25 Q. Okay. And do you -- do you know what they are

Page 111

1 discussing here?

2 A. Well, it says, "The business operations are
3 closed, no activity. However, the entity is still open
4 for liability protection. Because of that, you will
5 receive a K-1."

6 Q. Okay. Did you ever have any discussion with
7 Mr. Denegre about the -- the status of ACET?

8 A. No.

9 Q. No?

10 A. No.

11 Q. Or the reasons for keeping it open?

12 A. No.

13 Q. Okay.

14 MR. FREEMAN: Yeah, y'all want to go ahead
15 and take a -- take a break?

16 MR. PERRIN: Yeah, a quick one.

17 MR. FREEMAN: All right. We're off the
18 record.

19 (Break taken from 3:52 to 3:58.)

20 MR. FREEMAN: Back on the record.

21 Q. (By Mr. Freeman) Mr. Hook, can -- can you walk
22 me through Super G Capital's foreclosure on ACET
23 Global's assets?

24 MR. PERRIN: Objection, form.

25 A. No.

Page 112

1 Q. (By Mr. Freeman) And why is that?

2 A. I don't recall it.

3 Q. Didn't that occur during the period that you
4 were the president of ACET Global?

5 A. Yes, but what I continue to describe to you
6 that I was not the person in charge of the company from
7 our firm at that time.

8 Q. Okay. Now, was -- was Baymark Partners the
9 president of ACET Global, LLC?

10 A. No.

11 Q. But you were the president of ACET Global, LLC;
12 correct?

13 A. That was my title, yes. Apparently so.

14 Q. And while you were president of ACET Global,
15 LLC, didn't Super G Capital foreclose on ACET Global's
16 assets?

17 A. While I was president?

18 Q. Yes, sir.

19 A. I guess so.

20 Q. Okay. But you don't remember that at all?

21 A. No.

22 Q. And -- and how do you not remember that at all
23 when you were president of the company?

24 MR. PERRIN: Objection, form.

25 A. Because I wasn't involved.

Page 113

1 Q. (By Mr. Freeman) Okay. And do you know if
2 those assets -- weren't those assets of ACET Global then
3 sold by Super G Capital to Windspeed Trading, LLC?

4 A. I don't know.

5 Q. Okay. And didn't Baymark Partners have an
6 interest in Windspeed Trading, LLC?

7 MR. PERRIN: Objection, form.

8 A. I didn't know.

9 Q. (By Mr. Freeman) Didn't -- didn't one of its
10 affiliates, that you had an ownership interest in, own
11 warrants in Windspeed Trading, LLC?

12 MR. PERRIN: Objection, form.

13 A. I didn't know that specifically, no.

14 Q. (By Mr. Freeman) Okay. So, Baymark Partners
15 was not involved in the foreclosure of ACET Global's
16 assets?

17 A. I wasn't.

18 Q. Okay. What about Baymark Partners?

19 A. Baymark Partners is an entity.

20 Q. Right. It's a partnership; correct?

21 A. I believe so, yes.

22 Q. Partnership between you and Tony Ludlow?

23 MR. PERRIN: Objection, form.

24 A. Yeah, I'm not sure the legal, but...

25 Q. (By Mr. Freeman) Is it a -- is it a

Page 114

1 partnership that you and Mr. Ludlow carry on in Texas?

2 MR. PERRIN: Objection, form.

3 A. I believe that's true.

4 Q. (By Mr. Freeman) Okay. From a particular
5 office location?

6 A. Yes.

7 Q. And what is that office location?

8 A. 5700 Granite Parkway in Plano, Texas.

9 Q. Okay. And -- and, so, was Super G -- I mean
10 was -- was Baymark Partners engaged in drafting any of
11 the foreclosure documents?

12 MR. PERRIN: Objection, form.

13 A. I don't know.

14 Q. (By Mr. Freeman) Okay. Was Baymark Partners
15 engaged in any discussions with Super G Capital about
16 the foreclosure of ACET Global's assets?

17 A. I don't know.

18 Q. Okay. Did anyone at Baymark Partners ever
19 discuss the foreclosure of ACET Global's assets with you
20 in 2018?

21 A. Not that I recall.

22 Q. Okay. Did you ever have discussions with
23 anyone at Baymark Partners or ACET Global about
24 obtaining an inventory listing for the foreclosure?

25 A. No.

Page 115

1 Q. Did anyone at Baymark Partners ever engage in
2 that process?

3 A. I don't know.

4 Q. Put what's marked as Exhibit 8 on the screen,
5 if you can see that. Do you see that, sir?

6 A. Yes.

7 Q. Okay. Does this appear to be an email between
8 Matt Denegre at his BaymarkPartners.com email address
9 and William Szeto at his WindstreamTrading.com email
10 address?

11 A. Yes.

12 Q. And does it state, as a subject line, "ACET
13 fixed assets, inventory lists"?

14 A. Yes.

15 Q. Okay. And is this in December of 2018?

16 A. Yes.

17 Q. Okay. Do you have any idea why they are
18 preparing this inventory list?

19 A. No.

20 Q. Okay. And this wasn't -- you know, although
21 you're serving as president of ACET Global at this time,
22 this wasn't anything you knew anything about, was it?

23 MR. PERRIN: Objection, form.

24 A. That's right.

25 Q. (By Mr. Freeman) Okay. And -- and down below,

Page 116

1 you'll see that Mr. Denegre's email to Mr. Szeto, at
2 5:00 o'clock on December 18th, 2018, that he asks
3 Mr. Szeto, "Can you update the saleable inventory list
4 for ACET inventory? We are updating the foreclosure
5 documents."

6 Did I read that correctly?

7 A. Yes.

8 Q. And did he -- did Mr. Denegre send that from
9 his BaymarkPartners.com email address?

10 A. Yes.

11 Q. And who did he -- who do you understand him to
12 have referred to when he says "we"?

13 A. I don't know.

14 Q. Okay. Was Mr. Denegre running point on the
15 foreclosure of ACET Global's assets?

16 A. I don't know.

17 Q. If he was doing so, do you think that would
18 have been proper?

19 MR. PERRIN: Objection, form.

20 A. Yes.

21 Q. (By Mr. Freeman) Why do you say yes?

22 A. Because he and Tony were working on ACET Global
23 at that time.

24 Q. Okay. So he and Tony were working on ACET
25 Global in December of 2018?

Page 117

1 A. Yes.

2 Q. Okay. And you think it would have been proper
3 for Mr. Denegre to obtain an ACET inventory because
4 Baymark Partners was updating the foreclosure documents?

5 MR. PERRIN: Objection, form.

6 A. I don't know.

7 Q. (By Mr. Freeman) Okay. Did Baymark Partners
8 inform its legal counsel about all of the circumstances
9 of this transaction?

10 A. I don't know.

11 Q. Okay. Generally does -- is it Baymark
12 Partners' practice to inform its counsel of all of the
13 circumstances related to legal transactions?

14 MR. PERRIN: Objection, form.

15 A. Say that again, please.

16 Q. (By Mr. Freeman) Is it generally Baymark
17 Partners' practice to inform its legal counsel of all of
18 the relevant circumstances surrounding a legal
19 transaction?

20 A. Yes.

21 Q. Okay. And have you ever known Baymark Partners
22 not to do that?

23 MR. PERRIN: Objection, form.

24 A. No.

25 Q. (By Mr. Freeman) In all your years with the

Page 118

1 company, it has always provided its legal counsel with
2 all relevant surrounding circumstances related to a
3 legal transaction?

4 MR. PERRIN: Objection, form.

5 A. Well, that's a very general question; so, I
6 don't know how to answer that.

7 Q. (By Mr. Freeman) Okay. Well, are you aware of
8 circumstances or -- or instances where Baymark Partners
9 has not provided its legal counsel with relevant
10 considerations?

11 MR. PERRIN: Objection, form.

12 A. I -- I mean, relevant is a very general term.
13 So, I don't know what's -- what's relative or not
14 relative.

15 Q. (By Mr. Freeman) Okay. Okay. Do you believe
16 it would be -- if Baymark Partners here was updating the
17 foreclosure documents on the foreclosure against ACET
18 Global, do you think it would be relevant to inform your
19 legal counsel that Baymark Partners has an interest in
20 Windspeed Trading, LLC?

21 MR. PERRIN: Objection, form.

22 A. I -- I don't know. And I don't know all of the
23 timing involved in all that. So, I just don't know.

24 Q. (By Mr. Freeman) Okay. Well, let's assume, as
25 this email here from Mr. Denegre states, that, you know,

Page 119

1 in December of 2018, when Baymark Partners is updating
2 the foreclosure documents to foreclose on ACET Global,
3 and let's assume that Baymark Partners holds warrants in
4 Windspeed Trading to acquire 40 percent of Windspeed for
5 \$100.

6 Do you think that would be a relevant fact
7 that Baymark Partners should convey to its legal
8 counsel?

9 MR. PERRIN: Objection, form.

10 A. Well, I don't -- I don't know whether what you
11 just said is true or not. I don't know if we -- how
12 many warrants we have. So, I -- I don't know if your
13 question is truthful.

14 Q. (By Mr. Freeman) Okay. Well, let's assume
15 that, in fact, Baymark Partners or its affiliate held --
16 held warrants to acquire 40 percent of Windspeed
17 Trading, LLC for a \$100 exercise price at whatever point
18 in time it chose to exercise those warrants. Let's
19 assume that's true.

20 Do you think that that's information that
21 Baymark Partners should convey to its legal counsel?

22 MR. PERRIN: Objection, form.

23 A. I -- I -- I don't know because there's a lot of
24 other circumstances that could be involved, which I
25 don't know about.

Page 120

1 Q. (By Mr. Freeman) Okay. What other
2 circumstances could be involved?

3 A. Well, you're -- our goal, as I stated before,
4 was for ACET Global to survive and make it. That's what
5 our intention is with every company. So, we would be
6 doing things to help ACET Global survive. So, what
7 these circumstances are and what transpired, I don't
8 know.

9 Q. Okay. As we sit here, it's difficult for you
10 to come to the conclusion or admit that Baymark Partners
11 or its affiliate's ownership of warrant interests in
12 Windspeed, it's difficult for you to admit or even just
13 state yeah, that's something that Baymark Partners
14 should convey to its legal counsel if they are going to
15 be involved in the foreclosure of ACET Global's assets?

16 MR. PERRIN: Objection, form. This is
17 getting a little abusive, Jason.

18 Mr. FREEMAN: I am feeling a bit abused,
19 Ed.

20 MR. PERRIN: No, I think you've got the
21 shoe on the wrong foot.

22 A. So, will you ask the question again, please.

23 Q. (By Mr. Freeman) Yes, sir, I would be glad to.

24 So, I'm asking why is it so difficult for
25 you to acknowledge or to agree that Baymark Partners

Page 121

1 should inform its legal counsel that it has ownership of
2 warrants that entitle it to ownership of 40 percent of
3 Windspeed, for \$100, at its discretion, when its counsel
4 and Baymark Partners are engaged in the foreclosure of
5 ACET Global's assets?

6 MR. PERRIN: Objection, form.

7 A. Because I've said multiple times, Mr. Freeman,
8 I was not involved. I was only involved for a few
9 months after the acquisition. The company had tanked.
10 I didn't believe that their business model was going to
11 be successful.

12 Q. (By Mr. Freeman) Okay. If you will, look at
13 Exhibit 25. Mr. Hook, have you seen this document
14 before?

15 A. No.

16 Q. Okay. And does this appear to be an email from
17 Matthew Denegre to Steve Bellah of Super G Capital, Alex
18 Godinez, and Tony Ludlow?

19 A. Yes, it does.

20 Q. It's from October of 2018, with certain
21 attachments that refer to a warrant purchase agreement?

22 A. Yes. And -- and you will notice that I'm not
23 on there.

24 Q. Correct. Is that right? Is that by design?

25 MR. PERRIN: Objection, form.

Page 122

1 Q. (By Mr. Freeman) Okay.

2 A. I -- I don't know.

3 Q. Okay. Is the document that's attached below,
4 do you understand that to have been sent by Julie Smith
5 of Hallet and Perrin?

6 A. Wait a minute.

7 MR. PERRIN: You want him to review the
8 document?

9 MR. FREEMAN: Sure. Take a quick look.

10 MR. PERRIN: Quick look at a 30-page
11 document?

12 A. Okay.

13 Q. (By Mr. Freeman) I'll point you to the
14 appropriate portion of it.

15 A. Okay.

16 MR. PERRIN: That's doubtful.

17 MR. FREEMAN: Excuse me? What was that?
18 What did you say there? Excuse me, Ed. I'd like to get
19 that on the record. What did you say?

20 MR. PERRIN: He's reading the document,
21 Jason.

22 MR. FREEMAN: Was it "that's doubtful"?
23 Was that in response to me?

24 Ed, did I say I'll point you to the
25 relevant portion of the document I want you to look at,

Page 123

1 and you said "that's doubtful"?

2 MR. PERRIN: Jason, I said --

3 MR. FREEMAN: What does that mean, Ed?

4 What'd that mean? Huh?

5 MR. PERRIN: Jason, you have trouble
6 figuring out what's relevant.

7 MR. FREEMAN: Why do you say that, Ed?

8 MR. PERRIN: I'm not going to get into this
9 anymore, Jason. Just --

10 MR. FREEMAN: But why do you -- why do I
11 have trouble finding -- figuring out what's relevant?

12 MR. PERRIN: That's -- that's something you
13 need to ask yourself.

14 MR. FREEMAN: Well, you're the one telling
15 me that.

16 MR. PERRIN: Well, apparently you don't
17 know that. So, you'll find out on your own.

18 MR. FREEMAN: Okay. Sure be nice if I knew
19 what you were talking about or anybody knew what you
20 were talking about.

21 A. Okay. Mr. Freeman, what's your question?

22 Q. (By Mr. Freeman) This warrant purchasing
23 agreement, it's the fourth page of the PDF, states on
24 the top Hallett & Perrin draft. That's Edward Perrin's
25 firm. Do you see that?

Page 124

1 A. Yes.

2 Q. States that it's drafted by Edward Perrin's
3 firm on October 16th, 2018; is that correct?

4 MR. PERRIN: Objection, form.

5 A. It says H and P draft, 10-16-18.

6 Q. (By Mr. Freeman) Okay. Do you understand H
7 and P to be Hallett & Perrin?

8 A. Yes, I would assume that.

9 Q. And -- and, in fact, Hallett & Perrin is the
10 law firm for all of your companies, isn't it?

11 A. I don't know about that.

12 Q. Is it the law firm you use for most of your
13 companies?

14 A. Yes, it is.

15 Q. Was Mr. Ludlow a former attorney at Hallett &
16 Perrin?

17 A. Yes, he was.

18 Q. Okay. Did he work with Ed Perrin?

19 A. I -- I don't know. I don't know.

20 Q. Okay. So, this warrant purchase agreement that
21 was drafted by Hallett & Perrin on October 16th, 2018,
22 does this state here in the first paragraph -- and I
23 think this is part of what's relevant, though not all of
24 it -- that it's entered into between Windspeed Trading,
25 LLC and Super G/Baymark Partners, LLC?

Page 125

1 A. That's what it says.

2 Q. Right. Does that seem like that's maybe
3 relevant, something relevant that your -- your law firm
4 should know?

5 MR. PERRIN: Objection, form.

6 A. Well, they -- they drafted it. So, I guess
7 they know it.

8 Q. (By Mr. Freeman) Right. Seems like it is.

9 So, Super G and Baymark Partners as the
10 purchasers. And if you will look below here, look to
11 the terms of the warrant for Super G in paragraph 1A,
12 this draft, this Hallett & Perrin draft, does it state
13 that there is an exercise price for the warrants of
14 \$100?

15 A. That's what it says.

16 Q. Okay. And above that, does it state that those
17 warrants will give the warrant holder 40 percent of
18 Windspeed?

19 A. If they are exercised.

20 Q. Right. For a total exercise price of \$100?

21 MR. PERRIN: Objection, form.

22 A. Yes.

23 Q. (By Mr. Freeman) Okay. And that's not a lot
24 of money, is it?

25 A. No.

Page 126

1 Q. All right. You spend more than that on a
2 dinner.

3 MR. PERRIN: Objection, form.

4 A. Yes, sometimes I do.

5 Q. (By Mr. Freeman) Like, 680 bucks on a dinner
6 or something like that; right?

7 MR. PERRIN: Objection, form.

8 A. I don't know what you're talking about.

9 Q. (By Mr. Freeman) Okay. Below that, does it
10 state for Baymark -- does it state that -- the exact
11 same terms? There's an exercise price of \$100?

12 A. Yes.

13 Q. All right. And is that for an aggregate of 40
14 percent of the membership interest in Windspeed?

15 A. That's what it says.

16 Q. Okay.

17 MR. PERRIN: Jason, if it'll save us time,
18 Jason, I'll stipulate that this draft says what it says.
19 The document speaks for itself. And the man doesn't
20 have any knowledge of the transaction, as he said.
21 That's why I'm saying we're going through a bunch of
22 wasted time. You go ahead.

23 MR. FREEMAN: Yeah. Appreciate it, Ed. I
24 don't need your stipulation, though.

25 MR. PERRIN: Okay. Then go forward.

Page 127

1 MR. FREEMAN: And I -- it sounds to me like
2 we disagree about some material facts within that
3 stipulation. But I appreciate the offer.

4 Q. (By Mr. Freeman) So, do you -- do you believe
5 this would be a relevant fact for your law firm to know
6 if it's engaged in updating the foreclosure documents on
7 ACET Global?

8 A. I -- I don't know because I've never been
9 involved in anything like this before. So, I have no
10 idea what's relevant.

11 Q. Okay. And -- and based upon this and the date,
12 it looks like that is -- actually is a relevant fact
13 that your -- your law firm was aware of; correct?

14 A. Apparently so, uh-huh.

15 Q. Okay. I'll show you what's marked as Exhibit
16 9, if you will, sir.

17 A. Okay.

18 Q. Does this appear to be an email between William
19 Szeto to Matt Denegre.

20 A. Yes.

21 Q. Okay. January of 2019?

22 A. Yes.

23 Q. Okay. And did -- Mr. Denegre states, "Super G
24 sent terms for the assumption of the ACET note below."
25 Is that correct?

Page 128

1 A. Wait a minute. I haven't gotten there. Just
2 one second. Okay. I have it in front of me now. Okay.

3 Q. Okay. Does it state from Mr. Denegre, at his
4 Baymark Partners email address, "Super G sent terms for
5 the assumption of the ACET note below"?

6 A. That's what it says, yes.

7 Q. Okay. And this email was sent while you were
8 the president of ACET Global; correct?

9 A. I assume so.

10 Q. Okay. What assumption of your company's note
11 is Mr. Denegre referring to?

12 MR. PERRIN: Objection, form.

13 A. I -- I don't know.

14 Q. (By Mr. Freeman) No idea? You never discussed
15 with Mr. Denegre anyone assuming your company's note?

16 A. No.

17 Q. You don't know anything about Windspeed Trading
18 assuming your company's note?

19 A. No.

20 Q. But you were president of ACET Global, and your
21 employee appears to be discussing the assumption of your
22 company's note; correct?

23 MR. PERRIN: Objection, form.

24 A. Yes.

25 Q. (By Mr. Freeman) Okay. But you didn't know

Page 129

1 anything about that; right?

2 A. That's right.

3 Q. Okay. I would like for you to look at Exhibit
4 10, sir. Does this appear to be an email sent from Matt
5 Denegre to Alex Godinez in late January 2019?

6 A. January -- yes.

7 Q. Okay. And is the subject line
8 "Windspeed/ACET"?

9 A. Yes.

10 Q. Okay. Why would there be a subject line of
11 Windspeed/ACET? Do you have any idea?

12 A. I don't.

13 Q. Okay. Down below, if you'll look towards the
14 bottom of the -- the first page, Mr. Denegre states, "We
15 still need the dates on when the foreclosure notice got
16 sent out or when you plan to send them out."

17 Any idea why he's asking for that?

18 A. No.

19 Q. He says, "Then we can finalize."

20 A. That -- that's what it says. But I don't know
21 why.

22 Q. Okay. He sent this email from his Baymark
23 Partners email address; correct?

24 A. Yes.

25 Q. Okay. And then down below that, does there

Page 130

1 appear to be an email from Alex Godinez to Mr. Denegre
2 in January 29th, 2019 stating, "Just want -- just wanted
3 to follow up on status for the final version of the
4 foreclosure agreement. Are we good to finalize?"

5 Does that -- did I read that correctly?

6 A. Yes.

7 Q. And this was an email between Alex Godinez at
8 Super G Capital and Matt Denegre at his Baymark Partners
9 email address with the subject line "Windspeed/ACET"; is
10 that correct?

11 A. Yes.

12 Q. Okay. And that's the same ACET Global that --
13 that you were the president of at this time; correct?

14 A. Correct.

15 Q. Okay. But you don't know what he's referring
16 to?

17 A. I've never seen it before.

18 Q. And you don't know what foreclosure agreement
19 he's referring to?

20 A. No.

21 Q. All right. And no idea if this deals with the
22 assets of ACET Global or the assumption of those assets
23 by Windspeed Trading, LLC?

24 A. No.

25 Q. Okay. How do you know Bill Szeto?

Page 131

1 A. I don't know how we first met.

2 Q. Okay. When do you believe you first met?

3 A. Over ten years ago.

4 Q. Okay. Have you engaged in any business
5 transactions together over that ten years?

6 MR. PERRIN: Objection, form.

7 A. Yes.

8 MR. FREEMAN: What's the basis for the
9 objection?

10 MR. PERRIN: You've already gone through
11 this line of questioning before. Asked and answered.

12 MR. FREEMAN: What are you talking about,
13 Ed?

14 MR. PERRIN: Your questions earlier in the
15 deposition, Jason.

16 MR. FREEMAN: Okay.

17 Q. (By Mr. Freeman) So, yes, you've -- you've
18 engaged in business transactions with Mr. Szeto over
19 that course of years?

20 A. Yes.

21 Q. Okay. What was the first transaction you
22 engaged in with Mr. Szeto?

23 MR. PERRIN: Objection, form.

24 A. When I was -- had my venture capital firm, we
25 made an investment in a company that he was on the

1 management team of.

2 Q. (By Mr. Freeman) Okay. What company was that?

3 A. I don't remember the name.

4 Q. Okay. What other companies have you been
5 involved with Mr. Szeto in?

6 A. That's it. Just one.

7 Q. So, just one time?

8 A. Uh-huh, yes.

9 Q. Is that -- is that when you met him?

10 A. I don't recall.

11 Q. Okay. What -- what -- are y'all personal
12 friends or just business acquaintance?

13 A. Business acquaintance.

14 Q. Okay. How did Mr. Szeto come to be involved
15 with ACET Global?

16 A. I reached out to him.

17 Q. Okay. When did you reach out to him?

18 A. I don't recall.

19 Q. Okay. Was it 2017?

20 A. It was after we bought the company. I don't
21 remember when we bought the company.

22 Q. Okay. What -- what prompted the call?

23 A. ACET Global was failing.

24 Q. Okay. How was it failing?

25 A. Well, the revenue was going down dramatically.

Page 133

1 The EBITDA was going down dramatically. It was a very
2 fragile company when we acquired it. There's four or
3 five employees, cash flow issues. The company was --
4 was failing and failing quickly.

5 Q. Okay. And, so, you called Mr. Szeto?

6 A. Yes.

7 Q. And what did you ask Mr. Szeto to do?

8 A. If he would go take a look at the company and
9 see what his thoughts were.

10 Q. Okay. And how -- how did you make that happen?

11 A. I probably called him on the telephone.

12 Q. Okay. Did you meet with him?

13 A. I don't recall. Probably.

14 Q. Okay. And then how did -- how did he get
15 involved in ACET Global? Did he just show up, or did
16 you ask him to go over there?

17 A. I don't recall the sequence of events.

18 Q. Okay. But you were the president of ACET
19 Global at that time; right?

20 A. Apparently so, yes.

21 Q. Okay. And, so, did you hire Mr. Szeto?

22 A. I think ACET Global hired Mr. Szeto.

23 Q. So ACET Global hired Mr. Szeto?

24 A. I believe so.

25 Q. While you were the president of ACET Global;

1 correct?

2 A. Correct.

3 Q. And, so, ACET Global hires Mr. Szeto while you
4 were president and what? Does he become the CEO of ACET
5 Global?

6 A. I don't -- I don't recall what his title is,
7 but he was -- I don't recall. I think he worked for
8 Tomer at the beginning. And if I'm not mistaken, I
9 think he was working for free. I don't -- I don't --
10 I'm not positive, but he could have worked for free for
11 a while under Tomer.

12 Q. Okay. Why would he work for free?

13 A. Because he was retired and he had made enough
14 money and he thought that he could help the company.

15 Q. Okay. Was there anything promised to him?

16 A. No, not that I know of.

17 Q. No financial benefit whatsoever to go in and
18 run this company?

19 MR. PERRIN: Objection, form.

20 A. Well, like I said, I think he worked for free.
21 I don't know if he's -- took a salary or not. I don't
22 recall.

23 Q. (By Mr. Freeman) Had he ever worked for you
24 for free before that?

25 A. No.

Page 135

1 Q. Has he ever worked for you for free since that?

2 A. No.

3 Q. Okay. Was he -- did he end up being a member
4 of Windspeed Trading, LLC?

5 A. I don't know.

6 Q. Okay. So those are the only -- that and the
7 initial transaction that you may have met Bill through,
8 those are the only instances where you've ever worked
9 with -- with Mr. Szeto?

10 A. That's right.

11 Q. Okay. What did he think about ACET Global?

12 A. That the company was in trouble, that the
13 products that Tomer was getting weren't very good,
14 didn't think the business model was sustainable. Those
15 are the things off the top of my head that I recollect.

16 Q. Okay. What -- did he tell you anything else
17 was wrong with ACET Global?

18 A. Other than the company was in real trouble.

19 Q. Okay. Did he have any experience with -- with
20 E-commerce?

21 A. I don't know.

22 Q. Okay. And do you know, you know, what his
23 basis was for concluding that the company was in real
24 trouble?

25 A. He looked at the financial statements.

Page 136

1 Q. So he just looked at financial statements and
2 said hey, the company's in -- is in real bad trouble?

3 A. All this is after he was there a period of
4 time. I don't remember the exact period of time.

5 Q. Okay. Did he say what, specifically, he -- he
6 based that conclusion on?

7 A. Being in the company, watching the operations,
8 looking at the financials, and seeing that the products,
9 you know, had -- had troubles. And the operations of
10 the company were -- were not very good.

11 Q. Okay. I mean, did he say anything about, you
12 know, the -- the note obligations of -- of the company
13 being part of the equation?

14 A. No.

15 Q. No?

16 And how do you know he was -- he was there
17 and had -- had observed everything?

18 A. Well, we met at the company. We talked to him
19 on the phone. I can't verify that every time I talked
20 to Bill Szeto that he was sitting in the company.

21 Q. Okay. But you had a number of calls with him
22 where you understood from what he said that he was there
23 at the company or had been?

24 A. Yes. That was my interpretation.

25 Q. And then did -- did you have him ultimately

1 replace Tomer Damti?

2 A. Yes.

3 Q. Okay. Did you do that, or did someone else?

4 A. I don't recall whether I did it or Bill did it.

5 I don't recall.

6 Q. Okay. What gave you authority to -- to
7 terminate Tomer Damti?

8 MR. PERRIN: Objection, form.

9 A. Well, our entity owned the company.

10 Q. (By Mr. Freeman) What entity owned the
11 company?

12 A. What -- the -- the Baymark Partners-related
13 entities owned the company.

14 Q. Okay. And what did you understand gave you
15 authority to fire Tomer Damti?

16 A. Because the company was going down the tubes.

17 Q. Okay. So that gave you authority to fire Tomer
18 Damti?

19 A. No. The legal documents gave me the authority
20 to fire Tomer Damti.

21 Q. Okay. And what about the legal documents gave
22 you that authority?

23 A. I don't know what specific section in the legal
24 documents gave me authority.

25 Q. Okay. Did you actually give someone else

Page 138

1 directions to fire Tomer Damti or did you do --

2 A. I just told you. I don't remember.

3 Q. Okay. Were you ever involved in the formation
4 of a wind-down plan for ACET Global?

5 A. No. I never heard of a wind-down plan.

6 Q. Okay. As -- you know, as the president of ACET
7 Global, did you ever engage in formulating a wind-down
8 plan?

9 MR. PERRIN: Objection, form.

10 A. Mr. Freeman, will you please listen to my
11 questions? I just told you I'd never heard of a
12 wind-down plan.

13 Q. (By Mr. Freeman) Okay.

14 A. So, listen to my -- listen to my answers,
15 please.

16 Q. Okay. If you will, look at Exhibit 13, please,
17 sir.

18 A. Okay.

19 Q. Does this email refer to a wind-down plan?

20 A. It says "wind-down plan for Super G for your
21 review."

22 Q. Okay. And this is -- this email looks like
23 it's addressed on September 10th of 2018; is that
24 correct?

25 A. Yes.

Page 139

1 Q. And it's from Matt Denegre of Baymark Partners?

2 A. Yes.

3 Q. And during this time, you're still the
4 president of ACET Global; correct?

5 A. Apparently so.

6 Q. Okay. Now, there's an email here on the first
7 page from Bill Szeto stating that he's the president and
8 CEO of ACET Global, LLC; is that correct?

9 A. It says in his email title president, CEO.

10 Yes.

11 Q. Okay. How many presidents do you think there
12 were of ACET Global?

13 A. I don't know.

14 Q. Okay. And why is -- why is your associate,
15 Matt Denegre, involved in this wind down?

16 A. Because he and Tony were working on this
17 company.

18 Q. What company?

19 A. ACET Global.

20 Q. Okay. And, now, how do we know this is a wind
21 down for ACET Global?

22 A. I didn't know. This is the first I've heard of
23 a wind-down plan.

24 Q. Did I say that it was a wind down of ACET
25 Global?

Page 140

1 A. Well, you said this was a wind-down plan.
2 Q. Uh-huh. And why would this be a wind-down plan
3 for ACET Global? That -- you know, you're the president
4 of ACET Global at this time; right?

5 MR. PERRIN: Objection, form.

6 A. That's right.

7 Q. (By Mr. Freeman) And you're not aware of any
8 wind-down plan for ACET Global; right?

9 A. Right.

10 Q. And, so, why would we have a wind-down plan for
11 ACET Global?

12 MR. PERRIN: Objection, form.

13 A. Because we tried to save the company.

14 Q. (By Mr. Freeman) Okay. By winding it down?

15 A. Well, my -- assume that the decision had
16 already been made that we couldn't save the company. I
17 don't know what the financial statements said at this
18 point. So, I don't know what's the status.

19 Q. Right. But you were the president of the
20 company at this time; right?

21 MR. PERRIN: Objection, form.

22 A. Mr. Freeman, how many times are you going to
23 ask me this question?

24 Q. (By Mr. Freeman) What question?

25 A. That I'm the president.

Page 141

1 Q. Were you the president at this time?

2 MR. PERRIN: Objection, form; asked and
3 answered at least 20 times. If you continue, Jason, we
4 are going to have to instruct him it's harassing.

5 MR. FREEMAN: Okay. Ed, as you know, there
6 are quite a few relevant periods in time here. And I
7 think I'm entitled to ask a simple question with respect
8 to each one and put in it context. So...

9 MR. PERRIN: We've already covered that
10 every which way but Saturday.

11 MR. FREEMAN: Okay. Why don't we just do
12 it this way, then? Do we -- do we all -- Ed, do you
13 want to stipulate that for all relevant periods Mr. Hook
14 was the president of ACET Global, LLC? Do you want to
15 go ahead and stipulate to that?

16 MR. PERRIN: Jason, you said you didn't
17 want to do stipulations. So, keep asking your
18 questions.

19 MR. FREEMAN: No, I -- I do. I'm just fine
20 with that stipulation. And we can do it and then you
21 don't have to object to it again.

22 MR. PERRIN: Jason, I'm going to object to
23 your questions when they deserve it. And, so, go ahead
24 and ask your questions.

25 MR. FREEMAN: Okay. But I'm -- I'm

Page 142

1 understanding you, Ed, to not want me to have to ask
2 that again. And, you know, again, if you'll just make
3 this simple stipulation, I won't need to ask it again.

4 MR. PERRIN: Jason, the record speaks for
5 itself.

6 MR. FREEMAN: It does.

7 Q. (By Mr. Freeman) Okay. This wind-down plan
8 you said was for ACET Global?

9 A. That's what the email says. I haven't heard of
10 a wind-down plan.

11 Q. Okay.

12 A. So, let me say that again. I have not heard of
13 a wind-down plan.

14 Q. Okay. Where does the email say it's for ACET
15 Global?

16 A. I don't know that it does.

17 Q. But you just said that it does; right?

18 A. I said I've never heard of a wind-down plan for
19 any company.

20 Q. Okay. Pretty unusual to be creating a
21 wind-down plan?

22 MR. PERRIN: Objection, form.

23 A. I don't know. I've never heard of it before.

24 Q. (By Mr. Freeman) Uh-huh. Never heard of a
25 wind-down plan?

Page 143

1 A. No.

2 Q. So you didn't teach Matt Denegre how to create
3 a wind-down plan; right?

4 A. I've never taught anybody how to do a wind-down
5 plan.

6 Q. Or how to review a wind-down plan?

7 A. No.

8 Q. Okay. And you've never seen this document?

9 A. No.

10 Q. Okay. Do you know what this document is
11 referring to here where it says "timeline and cost for
12 wind down"?

13 A. I don't know. I just said I've never seen it
14 before.

15 Q. Okay. You don't know what it's referring to
16 where it says "performed the last inventory prior to
17 closing, price inventory that can be sold or
18 transferred"?

19 A. No.

20 Q. No?

21 "Inform all marketplaces on closing"?

22 A. No.

23 Q. Or to inform all major customers on closing?

24 A. No.

25 Q. Or to send termination letters to all current

Page 144

1 employees?

2 A. No.

3 Q. And you don't know what it's referring to here
4 where it states week of 9-24?

5 A. No, other than it says week of 9-24.

6 Q. Okay. And do you recall if ACET Global, the
7 company that you were the president of, do you recall if
8 it sent termination letters to its employees around this
9 time?

10 A. No.

11 Q. No?

12 Did you authorize those termination
13 letters?

14 A. No.

15 Q. So, as the president of ACET Global, you didn't
16 even know that termination letters were sent out?

17 A. That's right.

18 Q. Okay. These -- this cost summary, on the third
19 page, did you know what salary accrual for Bill Szeto
20 refers to?

21 A. No.

22 Q. Or "pay Bill's credit card," what that refers
23 to?

24 A. No.

25 Q. Okay. So you don't know anything about this

Page 145

1 wind-down plan?

2 A. That's what I keep saying, yes.

3 Q. Okay. Look at Exhibit 14. Do you know what
4 Luluway is?

5 A. Lulu -- I've heard of the word, but I don't
6 know what it is.

7 Q. Okay. Where do you think you've heard of it?

8 A. I don't -- I don't know.

9 Q. Okay. If you look below on this -- this email,
10 there's some email correspondence from Lori Barber.
11 Have you ever worked with Ms. Barber before?

12 A. Yes.

13 Q. Okay. In fact, you worked with her a fair
14 amount on your companies?

15 A. A little.

16 Q. Okay. And are there three people from Baymark
17 Partners on this email?

18 A. Yes.

19 Q. Matt Denegre, Tony Ludlow, and Andy Waltman?

20 A. Yes.

21 Q. This is in January of 2019; correct?

22 A. Yes.

23 Q. Now, you were the president of ACET Global at
24 that point in time. Was it in the process of winding
25 down?

Page 146

1 A. I don't know.

2 Q. How do you not know?

3 A. Because Tony and Matt were working on this
4 company. I was not.

5 Q. Okay. So, at this point in time, Lori Barber
6 tells your -- your associates, "I know you're in the
7 process of winding down ACET." But had you ever
8 instructed Ms. Barber that you, as the president of ACET
9 Global, were going to wind down ACET?

10 A. No.

11 Q. Okay. Do you have -- do you have any idea why
12 Ms. Barber may be under the impression that y'all were
13 in the process of winding down ACET?

14 A. No.

15 MR. FREEMAN: Okay. I'm going to take a
16 five-minute break. We can go off the record.

17 THE WITNESS: Okay.

18 (Break taken from 4:50 to 4:57.)

19 MR. FREEMAN: Go back on the record.

20 Q. (By Mr. Freeman) Mr. Hook, when did you first
21 hear about Super G Capital?

22 A. Probably when we were looking for a lender for
23 ACET Global.

24 Q. Okay. Is that when you met Steve Bellah, or
25 did you already know him?

Page 147

1 A. I don't think I ever knew him before that.

2 Q. Okay. Did you meet him at an ACG Capital
3 Connection meeting?

4 A. I don't recall.

5 Q. What is ACG Capital Connection?

6 A. ACG is -- ACC -- something grow -- AC Capital
7 Growth -- I guess I don't know. But it's a -- it's a
8 group that lenders and private equity firms -- it's a
9 conference that -- that private equity firms and lenders
10 and others in our ecosystem of buying companies and
11 financing companies would attend.

12 Q. Okay. How long have you been involved in that?

13 A. In ACG?

14 Q. Yes, sir.

15 A. I -- I don't know.

16 Q. Okay. About 2013 sound right?

17 A. Since the -- the first time I ever went to an
18 ACG event is 2013?

19 Q. I'm -- I'm asking.

20 A. Yeah. I -- I have no idea.

21 Q. What about Mr. Ludlow?

22 A. What about him?

23 Q. Has he been involved in ACG Capital Connection?

24 A. Probably.

25 Q. Okay. Do you know how long?

Page 148

1 A. No.

2 Q. Okay. Have you ever met Marc Cole?

3 A. I don't think so.

4 Q. No?

5 Do you know who Marc Coal is?

6 A. No.

7 Q. Do you know a Marc Coal associated with Super G
8 Capital?

9 A. No.

10 Q. Or SG Credit Partners?

11 A. No.

12 Q. What about Oren Moses?

13 A. No.

14 Q. Or Alex Godinez?

15 A. No.

16 Q. Okay. Let's talk about ACET Global's
17 performance. During 2017, how did it perform,
18 financially?

19 A. I don't know. Alls I can remember is that it
20 was at 100,000 in EBITDA, roughly, and declining
21 quickly.

22 Q. Okay. In 2017?

23 A. I don't know what year it is, but it was right
24 after we bought the company.

25 Q. Okay. So, if you bought in it 2017, then 2017

1 is the year you're referring to?

2 A. That's right. The company went down basically
3 right away.

4 Q. Okay. And how about during 2018?

5 A. I -- I don't know.

6 Q. Okay. Why did the company start to go down?

7 A. Well, what I was told by Tomer was that in
8 getting the deal done, he spent a lot of time with his
9 partners in the middle of the night because of the time
10 change. And, so, he didn't spend as much time on the
11 business. And because there was a small number of
12 employees, he was responsible for quite a few functions
13 of the company; and that's the reason why the company
14 declined right off the bat.

15 Q. Okay. So that's your best understanding of why
16 the company declined in 2017?

17 A. That's right.

18 Q. Nothing more? No more direct observation than
19 that, just from what you heard from Tomer?

20 A. That's right. That's how we get information
21 from -- from the company was through Tomer.

22 Q. All right. And Tomer was -- was Tomer pretty
23 concerned about the company?

24 A. I hope so.

25 Q. Right. Like, let's say going into January

Page 150

1 2018, right? I mean, do you think pretty concerned
2 about the company's performance?

3 A. I don't know because I don't know when, you
4 know, I handed off to Tony and -- and -- and Matt.

5 Q. Okay. I mean, do you think he would have been
6 concerned about the company's performance, even though
7 its revenues were substantially higher than the prior
8 January?

9 A. I would have been, yes, because I didn't -- I
10 didn't like the business model and the premise of the
11 company.

12 Q. Okay. That you had chosen to purchase?

13 A. Yes.

14 Q. Okay. But you'd been concerned with increasing
15 revenues and cash flow?

16 A. Well, I wouldn't have been as concerned; but I
17 don't know the pretense of your question. I don't know
18 if increasing net from 100,000 of EBITDA to 105,000.

19 So, I don't know.

20 Q. Right.

21 A. But I was concerned very early on because the
22 business model was not solid.

23 Q. I mean, did you always -- like always have a
24 plan B if this thing didn't work or --

25 A. No.

Page 151

1 Q. No?

2 A. No.

3 Q. There was never any discussion about a plan B?

4 A. No.

5 Q. No?

6 So it was always like this has got to work?

7 That's the only option? Or was there some kind of plan
8 B that maybe, like, Super G would be a good fit for?

9 A. No. There was no plan B.

10 Q. Never? Not -- definitely not from the
11 beginning?

12 A. No.

13 Q. And what do you mean by there was no plan B?

14 A. Again, our goal is to help entrepreneurs and
15 management teams grow their business. So, you do that;
16 and every company is different. All the circumstances
17 and every company are different. And you try to solve
18 issues and problems and help the team grow and expand
19 their business.

20 Q. Well, let me ask: Was there, like, an
21 alternative structure for the ACET business that might
22 have been, you know, better for Baymark?

23 A. No.

24 Q. Not --

25 A. I -- I don't know. But we never -- never even

Page 152

1 thought of anything like that.

2 Q. Not like an option B structure to benefit
3 Baymark Partners or --

4 A. No. We -- we would have no interest in doing
5 anything like that.

6 Q. Nothing to benefit Super G?

7 A. No.

8 Q. Okay. Mr. Hook, putting up what's marked as
9 Exhibit 26. Do you see that?

10 A. Yeah. Yes, I do.

11 Q. And is that an email from Matt Denegre to you?

12 A. Yes.

13 Q. Regarding the ACG meeting and Super G?

14 A. Yes.

15 Q. And did he say that Super G would be perfect
16 for your option B structure with ACET Global?

17 A. That's what the email says.

18 Q. Okay. Does that appear to be a true and
19 correct copy of that email?

20 A. Yes, it does.

21 Q. Okay. So, didn't you, in fact, have a plan B
22 with respect to ACET Global?

23 A. I -- I have no idea what plan option B is.

24 Q. I mean, how did -- how did Super G fit into
25 your -- your plan B structure for the ACET business?

Page 153

1 A. I don't know. I -- you need to listen to my
2 answer. I don't know what option B is. I never heard
3 of an option B.

4 Q. Okay. I would like to ask you, again, about
5 the tax returns for Baymark ACET Holdco.

6 A. Okay. Was that a question?

7 O. Well, I'm putting it up on your screen.

8 A. Oh, sorry.

9 MR. PERRIN: What number is it?

10 MR. FREEMAN: Exhibit 44.

11 Q. (By Mr. Freeman) Now, this document, Exhibit
12 44, the first page is -- this is a letter to you?

13 A. Yes.

14 Q. Okay. Dated March 18th, 2019; correct?

15 A. Correct.

16 Q. Right. It says, "We have prepared and enclosed
17 your 2018 limited liability company return for the year
18 ended December 31st, 2018." Correct?

19 A. Yes.

20 Q. Okay. And it says, "The return has qualified
21 for electronic filing. After you have reviewed your
22 return for completeness and accuracy, please sign, date,
23 and return form 8879-PE to our office. We will then
24 submit your electronic return to the IRS." Okay?

25 A. Yes.

Page 154

1 Q. Do you recall if you received this -- this
2 letter?

3 MR. PERRIN: Objection, form.

4 A. No.

5 Q. (By Mr. Freeman) You don't recall receiving
6 it?

7 A. No.

8 Q. Okay. Do you recall returning a form 8879-PE
9 to Howard?

10 A. No.

11 Q. Okay. Do you believe that you did?

12 A. Likely.

13 Q. Okay. I will go ahead and show you what we'll
14 -- we'll mark as Exhibit 55. I'll send this around, but
15 does this -- does this appear to be a copy of an
16 8879-PE?

17 A. Wait. I'm sorry. We are not on the right
18 page.

19 MR. PERRIN: There's one -- there's one in
20 Exhibit 44 that's 2018.

21 MR. FREEMAN: Right. I'm asking about this
22 one.

23 MR. PERRIN: That's a different one that
24 he's showing.

25 A. Yeah, you have a different one than we do.

Page 155

1 Q. (By Mr. Freeman) Okay. Attach this here.

2 Okay.

3 Any reason to believe you didn't -- you
4 didn't authorize the filing of this tax return?

5 A. I don't know.

6 Q. Okay. Have you ever done anything to correct
7 any of the treatment that was reflected in the return
8 that was attached to this March 18th, 2019 letter?

9 MR. PERRIN: Objection, form.

10 A. I don't know.

11 Q. (By Mr. Freeman) All right. And is it
12 typically your habit to review tax returns before you
13 sign them?

14 A. Define "review."

15 Q. To read over them.

16 A. Likely quickly.

17 Q. Okay. If something appeared incorrect to you,
18 would you point it out to the CPA?

19 A. Yes, but that would be highly unlikely.

20 Q. Because they get it right?

21 A. I assume they get it right, and I look at them
22 quickly.

23 Q. Okay. And you give them access to everything
24 that they need; correct?

25 A. Well, I give them access to the information

Page 156

1 that I have.

2 Q. Okay. If they need information and ask for it,
3 you provide it?

4 A. Absolutely.

5 Q. Okay. And you want the tax return to be as
6 accurate as possible before you file it; correct?

7 A. Yes. Correct.

8 Q. Okay. Now, is the only asset or was the only
9 asset of Baymark ACET Holdco, was that ACET Global, LLC?

10 A. I don't know, but likely.

11 Q. Okay. And did you understand that all of ACET
12 Global's activities rolled up into the Baymark ACET
13 Holdco, LLC tax return?

14 MR. PERRIN: Objection, form.

15 A. Did I know that? Probably not.

16 Q. (By Mr. Freeman) Okay. Do you have any reason
17 to believe that anything in this tax return is false?

18 A. No.

19 Q. Any reason to believe anything in this tax
20 return is inaccurate?

21 A. No, but obviously I haven't looked at it.

22 Q. Okay. I mean, would you -- would you notice if
23 there was -- I don't know, if there was a transaction
24 reflected for several million dollars, I mean, would you
25 look closely at that, or is that not a big deal?

Page 157

1 MR. PERRIN: Objection, form.

2 A. It -- it -- it would depend.

3 Q. (By Mr. Freeman) And how would it depend?

4 A. Well, I don't know how busy I was that day that
5 I got it. I don't know if I had to sign it within an
6 hour. I don't know all the circumstances around me
7 looking at the tax return.

8 Q. Okay. But if you're going to put your
9 signature on something under a penalty of perjury to the
10 federal government, are you going to make an effort to
11 review it and ensure that it's accurate?

12 A. It depends. I -- I trust our accounting firm.

13 Q. Okay. Okay. So, I'd like to go down to Page
14 12 of this document.

15 A. I'm not sure we have the right one. Are you
16 looking for year 2019? We have '18.

17 Q. I'm looking at -- yeah, tax return as of
18 12-31-2018.

19 MR. PERRIN: On what page?

20 MR. FREEMAN: The eleventh -- the twelfth
21 page of the PDF.

22 (SOTTO VOCE DISCUSSION)

23 MR. FREEMAN: All right. Do you see that?

24 MR. PERRIN: See what?

25 MR. FREEMAN: There's a Schedule L on the

1 twelfth page of the PDF.

2 MR. PERRIN: Yeah.

3 Q. (By Mr. Freeman) Okay. If you'll look down
4 there within Schedule L, there is a line, line 12. And
5 if you will look over to the right, there's a -- there's
6 a box for the end-of-the-year value.

7 A. That's right, uh-huh.

8 Q. And did you report to the federal government
9 that there were assets of \$3.169 million as of
10 12-31-2018?

11 A. Intangible assets.

12 Q. Right?

13 A. Yes.

14 Q. Okay. And that's what you reported to the
15 federal government was held by Baymark ACET Holdco, LLC
16 as of 12-31-2018; correct?

17 A. Correct.

18 Q. Okay. And all that you're aware of it holding
19 is its interest in ACET Global, LLC; correct?

20 A. Like I said, probably.

21 Q. Right. And you were the president of that
22 company; correct?

23 A. Correct.

24 Q. So you would have been in position to know its
25 activities and have access to anything you needed for

Page 159

1 ACET Global; correct?

2 MR. PERRIN: Objection, form.

3 A. Likely.

4 Q. (By Mr. Freeman) Okay. On Baymark ACET
5 Holdco, LLC's tax return, if you'll look at the
6 twentieth page of the PDF, there's a line for a
7 management fee?

8 A. Yes.

9 Q. Management fee of \$112,500; is that correct?

10 A. Yes.

11 Q. Did you report that expense to the federal
12 government?

13 A. That's what the tax return says.

14 Q. Okay. Now, are you aware your lawyers have
15 represented that there was no management fee?

16 MR. PERRIN: Objection, form.

17 A. I don't recall us ever taking a management fee
18 out of the company.

19 Q. (By Mr. Freeman) Okay. Why is -- why is
20 Baymark ACET Holdco taking a deduction for \$112,500?

21 A. I don't know.

22 MR. PERRIN: Objection, form.

23 Q. (By Mr. Freeman) Now, on Page 17 of this --
24 this PDF, there's a form 8948.

25 MR. PERRIN: What page?

Page 160

1 MR. FREEMAN: Well, actually, give me just
2 a second.

3 Q. (By Mr. Freeman) Let's look to -- let's look
4 at Exhibit 45, if you will. And, Mr. Hook, the first
5 page of this document, is this a letter to you?

6 A. Wait -- I'm sorry. We are not there yet.

7 MR. PERRIN: Okay.

8 A. Yes.

9 Q. (By Mr. Freeman) And is this a letter to you?

10 A. Yes.

11 Q. And is this for a return for Baymark ACET
12 Holdco, LLC for the year ended December 31st, 2019?

13 A. Yes.

14 Q. Okay. And do you know whether you received
15 this letter or not?

16 A. I don't recall.

17 Q. Okay. Do you know whether you authorized the
18 filing of the tax return that Howard provided to you?

19 A. I don't -- I don't recall authorizing.

20 Q. Okay. So you don't believe you authorized this
21 to be filed?

22 MR. PERRIN: Objection, form.

23 A. No. I think -- no.

24 Q. (By Mr. Freeman) Okay. If you'll go to the --
25 the twelfth page of this PDF, there's -- there's another

Page 161

1 Schedule L. And this -- this shows total assets, going
2 into 2019, as of 1-1-19, of over \$3 million?

3 A. Yes, intangible assets. Uh-huh.

4 Q. Right. And a -- an end-of-year value of zero?

5 A. Uh-huh.

6 Q. Do you know why that is?

7 A. I don't.

8 Q. Okay. Now, there's also, on Page 17,
9 seventeenth page of this PDF, there is a -- there's a
10 form that lists a sale from foreclosure. Do you see
11 that?

12 A. Yes.

13 Q. Okay. And does it state that the assets at
14 issue, the date acquired was 7-21-17?

15 A. Yes.

16 Q. And that is, in fact, the date that you
17 executed the asset purchase agreement?

18 A. I don't know.

19 Q. Okay. It states that, in column C, the date
20 sold or disposed of was 1-1-2019. Do you see that?

21 A. Yes.

22 Q. And then does it state that the proceeds were
23 \$2,907,290?

24 A. Yes.

25 Q. What does that -- what happened to that \$2.9

Page 162

1 million?

2 MR. PERRIN: Objection, form.

3 A. I have no idea.

4 Q. (By Mr. Freeman) But this is the return that
5 -- that was provided to you from Howard?

6 A. Yes.

7 Q. And that was filed?

8 A. It says "file copy."

9 Q. Okay. Because this is, right, I think what you
10 had, where you signed off on the 8879-PE. What happened
11 to this 2.9, and why is it 2.9 million?

12 MR. PERRIN: Objection, form.

13 A. I -- I don't know.

14 Q. (By Mr. Freeman) You don't know?

15 A. No.

16 Q. Okay. Mr. Hook, whenever -- for each of your
17 -- your Baymark entities involved in this -- you know,
18 we went over quite a number of them. And you'll recall
19 these included ACET Global, LLC; Baymark ACET Holdco,
20 LLC; Baymark ACET Direct Invest, LLC; Baymark
21 Management, LLC; Baymark Partners -- the various
22 interest -- entities. Do each of these entities have
23 their own email?

24 MR. PERRIN: Objection, form.

25 A. No.

Page 163

1 Q. (By Mr. Freeman) No?

2 A. No.

3 Q. So, what email address do you use when you're
4 corresponding on behalf of those entities?

5 A. David@Baymarkpartners or
6 Dhook@baymarkpartners.com.

7 Q. Okay. So that's your Baymark Partners' email
8 address?

9 A. Those two are, uh-huh.

10 Q. Okay. And do you have a separate phone number
11 for each of these entities?

12 A. No.

13 Q. Okay. So what phone number do you use when
14 you're corresponding on behalf of these entities?

15 A. 972-991-5457.

16 Q. Is that your Baymark Partners' phone number?

17 A. Yes.

18 Q. Do each of these entities have separate bank
19 accounts?

20 A. I don't think so.

21 Q. Okay. So they just use Baymark Partners' bank
22 accounts?

23 MR. PERRIN: Objection, form.

24 A. Yeah. Again, the Baymark Management is our
25 operating company.

Page 164

1 Q. (By Mr. Freeman) Okay. And who are its
2 directors or officers?

3 A. Tony Ludlow and myself.

4 Q. Okay. That's Baymark Management, LLC?

5 A. I think it's an LLC.

6 Q. With these other entities, did they -- did they
7 hold -- any of them have a board of directors?

8 MR. PERRIN: Objection, form.

9 A. No.

10 Q. (By Mr. Freeman) Did any of them hold
11 meetings?

12 A. No.

13 Q. Are there any minutes from any meetings related
14 to these companies?

15 A. No.

16 Q. Any resolutions for these companies?

17 A. No.

18 Q. Where were their offices?

19 A. They were entities. So, they're either -- in
20 our office at Baymark Partners.

21 Q. So, they -- they shared Baymark Partners'
22 office?

23 MR. PERRIN: Objection, form.

24 A. It -- it's an entity. It's a piece of paper.

25 Q. (By Mr. Freeman) Right. So, I mean, I -- I

Page 165

1 get it. Each of these entities is -- just basically is
2 a piece of paper?

3 MR. PERRIN: Objection, form.

4 A. Yes.

5 Q. (By Mr. Freeman) Okay. I mean, did they have
6 any employees?

7 A. No.

8 Q. Did they have attorneys?

9 A. No.

10 Q. Did they have, you know, extra capital?

11 A. No.

12 Q. I mean, were these just, like, single-venture
13 entities; or did they have multiple purposes?

14 A. No.

15 MR. PERRIN: Objection, form.

16 Q. (By Mr. Freeman) I mean, where did their
17 revenues go?

18 A. They didn't have any revenues.

19 Q. Did they have any, like, corporate processes or
20 formalities they went through?

21 A. No.

22 MR. PERRIN: Objection, form.

23 Q. (By Mr. Freeman) Who ultimately controlled
24 them?

25 MR. PERRIN: Objection, form.

Page 166

1 A. I don't know how to answer that question.

2 There's no control.

3 Q. (By Mr. Freeman) I mean, who -- who ended up
4 controlling or making decisions for them?

5 MR. PERRIN: Objection, form.

6 A. They got formed due to the buying of the
7 company. There's nothing that happens in there at all.

8 Q. (By Mr. Freeman) They don't do anything,
9 really?

10 A. No.

11 MR. PERRIN: Objection, form.

12 Q. (By Mr. Freeman) They're just a piece of paper
13 for the file to -- for all the paperwork?

14 MR. PERRIN: Objection, form.

15 A. They -- they serve a purpose, but it's a legal
16 purpose.

17 Q. (By Mr. Freeman) Okay. Not like a real
18 economic purpose, I guess?

19 MR. PERRIN: Objection, form.

20 A. No.

21 Q. (By Mr. Freeman) Okay. Did they have -- you
22 know, if they shared the office space with you, did they
23 have separate signs?

24 MR. PERRIN: Objection, form.

25 A. No. And it's not "they." There's no "they."

Page 167

1 Q. (By Mr. Perrin) Okay. I mean, did -- it's
2 just y'all?

3 A. Yes.

4 Q. Just Baymark Partners?

5 A. Yes.

6 Q. Okay. I mean, did you keep a -- like,
7 effectively keep a consolidated balance sheet, then?

8 MR. PERRIN: Objection, form.

9 A. No. There's no bank account. There's nothing.

10 Q. (By Mr. Freeman) Nothing. Okay.

11 Mr. Hook, I am -- I am truly almost done, I
12 think. I'm going to take just a few minutes to run
13 through my notes and come back, and then I may have a
14 few more questions for you. But you're close to the
15 end.

16 THE WITNESS: Okay. Great.

17 MR. FREEMAN: That okay with everyone?

18 THE WITNESS: Yes.

19 MR. FREEMAN: Okay. I'll go off the record
20 for a second.

21 (Break taken from 5:28 to 5:33.)

22 MR. FREEMAN: Go back on the record.

23 Q. (By Mr. Freeman) Mr. Hook, I -- I appreciate
24 your time today, appreciate you sitting for these
25 questions. I know it's not a fun process. That

Page 168

1 concludes the questions that I have for you.

2 You technically could have some additional
3 questions from the other parties. Trends have been that
4 you are done, but I'll let them decide.

5 MR. FREEMAN: So, I pass the witness.

6 MR. PERRIN: For the Baymark parties, we'll
7 reserve our questions until time of trial.

8 MS. HARD-WILSON: For Windspeed Trading, we
9 will also reserve.

10 MR. PERRIN: Which means you are done.

11 (THE PROCEEDINGS WERE CONCLUDED)

12

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Page 169

1 CHANGES AND SIGNATURE

2 WITNESS NAME: DAVID HOOK

3 DATE OF DEPOSITION: April 12, 2021

4 PAGE LINE CHANGE REASON

5 _____

6 _____

7 _____

8 _____

9 _____

10 _____

11 _____

12 _____

13 _____

14 _____

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17 _____

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19 _____

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22 _____

23 _____

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25 _____

Page 170

1 I, DAVID HOOK, have read the foregoing
2 deposition and hereby affix my signature that same is
3 true and correct, except as noted above.

4

5 _____

6 DAVID HOOK

7 THE STATE OF _____)

8 COUNTY OF _____)

9

10 Before me, _____, on this day
11 personally appeared DAVID HOOK, known to me (or proved
12 to me under oath or through _____)
13 (description of identity card or other document) to be
14 the person whose name is subscribed to the foregoing
15 instrument and acknowledged to me that they executed the
16 same for the purposes and consideration therein
17 expressed.

18 Given under my hand and seal of office this
19 _____ day of _____, _____.

20

21 _____

22 NOTARY PUBLIC IN AND FOR
23 THE STATE OF _____
24 COMMISSION EXPIRES: _____

25

1 CAUSE NO. DC-19-09828
2 D&T PARTNERS, LLC) IN THE DISTRICT COURT
3 (successor in interest to)
4 ACET VENTURE PARTNERS,)
5 LLC),)
6 Plaintiff,)
7 v.)
8) DALLAS COUNTY, TEXAS
9)
10 ACET GLOBAL, LLC; BAYMARK)
11 ACET HOLDCO, LLC; BAYMARK)
12 ACET DIRECT INVEST, LLC;)
13 BAYMARK MANAGEMENT, LLC;)
14 BAYMARK PARTNERS; DAVID)
15 HOOK; TONY LUDLOW; and)
16 WINDSPEED TRADING, LLC,

17 Defendants. 116TH JUDICIAL DISTRICT
18
19

20 REPORTER'S CERTIFICATION
21 DEPOSITION OF DAVID HOOK
22 April 12, 2021
23 I, Wendy Golding, Certified Shorthand Reporter in
24 and for the State of Texas, hereby certify to the
25 following:

That the witness, DAVID HOOK, was duly sworn by the
officer and that the transcript of the oral deposition
is a true record of the testimony given by the witness;

That the deposition transcript was submitted on
21 _____ to the witness or to the attorney
22 for the witness for examination, signature and return to
23 me by _____;

That the amount of time used by each party at the
deposition is as follows:

Page 172

1 JASON B. FREEMAN - 3 HOURS:54 MINUTE(S)
2 EDWARD PERRIN - 00 HOURS:00 MINUTE(S)
3 BRENDA HARD-WILSON - 00 HOURS:00 MINUTE(S)

4 That pursuant to information given to the
5 deposition officer at the time said testimony was taken,
6 the following includes counsel for all parties of
record:

7 JASON B. FREEMAN, Attorney for Plaintiff
8 EDWARD PERRIN, Attorney for Defendants
9 ACET GLOBAL, LLC; BAYMARK ACET HOLDCO, LLC;
BAYMARK ACET DIRECT INVEST, LLC; BAYMARK MANAGEMENT,
LLC; BAYMARK PARTNERS; DAVID HOOK; TONY LUDLOW
BRENDA HARD-WILSON, Attorney for Defendant
10 WINDSPEED TRADING, LLC.

11 I further certify that I am neither counsel for,
12 related to, nor employed by any of the parties or
13 attorneys in the action in which this proceeding was
14 taken, and further that I am not financially or
15 otherwise interested in the outcome of the action.

16 Further certification requirements pursuant to Rule
17 203 of TRCP will be certified to after they have
18 occurred.

19 Certified to by me this _____ of _____



20
21 WENDY GOLDING, CSR # 1942
22 Expiration: 2/28/2023
23 Firm Registration # 10278
24 USHER REPORTING SERVICES
1326 Lochness Drive
Allen, Texas 75013
(214) 755-1612
25 karen@usherreporting.com

Page 173

1 FURTHER CERTIFICATION UNDER RULE 203 TRCP

2 The original deposition _____ was _____ was not
3 returned to the deposition officer;

4 If returned, the attached Changes and Signature
5 page contains any changes and the reasons therefore;

6 If returned, the original deposition was delivered
7 to _____, Custodial Attorney;

8 That \$_____ is the deposition officer's
9 charges to the Plaintiff for preparing the original
10 deposition transcript and any copies of exhibits;

11 That the deposition was delivered in accordance
12 with Rule 203.3, and that a copy of this certificate was
13 served on all parties shown herein on and filed with the
14 Clerk.

15 Certified to by me this _____ day of _____, 2021.
16
17

18 _____
19 WENDY GOLDING, CSR # 1942
Expiration: 2/28/2023
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